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100TH CONGRESS
1st Session

SENATE

REPORT
100-57

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

REPORT

[TO ACCOMPANY S. 1174]

ON

AUTHORIZING APPROPRIATIONS FOR FISCAL YEARS 1988 AND 1989 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEARS FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

TOGETHER WITH

ADDITIONAL AND MINORITY VIEWS

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

MAY 8, 1987 (legislative day, APRIL 21), 1987.—Ordered to be printed

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Calendar No. 120

100TH CONGRESS
1st Session

SENATE

REPORT
100-57

AUTHORIZING APPROPRIATIONS FOR FISCAL YEARS 1988 AND 1989 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE PERSONNEL STRENGTHS FOR SUCH FISCAL YEARS FOR THE ARMED FORCES, AND FOR OTHER PURPOSES

MAY 8, 1987 (legislative day, April 21), 1987.—Ordered to be printed

Mr. NUNN, from the Committee on Armed Services,
submitted the following

REPORT

together with

ADDITIONAL AND MINORITY VIEWS

[To accompany S. 1174]

The Committee on Armed Services reports favorably an original bill to authorize appropriations during the fiscal years 1988 and 1989 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes, and, recommends that the bill do pass.

PURPOSE OF THE BILL

This bill would:

(1) authorize appropriations for (a) procurement, (b) research, development, test and evaluation, (c) operation and maintenance and the revolving and management funds of the Department of Defense for fiscal years 1988 and 1989;

(2) authorize the personnel end strength for each military active duty component of the Armed Forces for fiscal years 1988 and 1989;

(3) authorize the personnel end strengths for the Selected Reserve of each of the reserve components of the Armed Forces for fiscal years 1988 and 1989;

(4) authorize the annual average military training student loads for each of the active and reserve components of the Armed Forces for fiscal years 1988 and 1989;

(5) impose certain reporting requirements;

(6) impose certain limitations with regard to specific procurement and RDT&E actions and manpower strengths; provide certain additional legislative authority, and make certain changes to existing law;

(7) authorize appropriations for military construction programs of the Department of Defense for fiscal years 1988 and 1989;

(8) authorize appropriations for national security programs of the Department of Energy for fiscal year 1988; and

(9) authorize appropriations for civil defense, including programs of the Federal Emergency Management Agency for fiscal year 1988.

BUDGET IMPACT OF THE COMMITTEE BILL

The administration's request for the national defense function of the federal budget for fiscal years 1988 and 1989 is $312.0 billion and $332.4 billion, respectively, in budget authority. Of the $312.0 billion requested for fiscal year 1988, $232.9 billion is requested for programs which require authorization. These programs include procurement, research and development, operation and maintenance, revolving and management funds, special foreign currency, military construction and family housing, weapons programs of the Department of Energy, and civil defense. The bill reported by the committee includes a recommendation for fiscal year 1988 of approximately $224.4 billion for the above accounts, a reduction of $8.5 billion from the President's request.

The funding included in the bill may appear to be substantially less than the functional ceiling for national defense. The primary reason for this difference is that, although the military pay raise and end strengths require authorization in this bill, the actual funding for military pay and benefits (approximately $79 billion) is not reflected in this legislation.

Actions of the committee to report legislative provisions relating to personnel benefits and other matters result in a further reduction from the President's request of approximately $600 million. Therefore, the net impact of the bill on the administration's request for national defense for fiscal year 1988 is a reduction of approximately $9.1 billion.

For fiscal year 1989, the committee bill is equivalent to an authorization of $246.6 billion. This amount covers approximately 73% of the programs requested for fiscal year 1989. The committee will address the remainder of the fiscal year 1989 defense authorization request next year.

The following chart summarizes the funding recommendations of the committee.

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION
(DOLLARS IN THOUSANDS)

ACCOUNT	FY 1987 ESTIMATE	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	FY 1989 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION
PROCUREMENT							
Army:							
Aircraft	2,754,850	2,473,959	331,900	2,805,859	2,229,539	413,544	2,643,083
Missiles	2,193,800	2,458,466	-45,538	2,412,928	2,923,200	-555,739	2,367,461
Weapons & Tracked Combat Vehicles	3,729,900	3,152,537	257,900	3,410,437	3,227,762	-83,550	3,144,212
Ammunition	2,097,150	2,194,275	-63,036	2,131,239	2,194,755	-28,023	2,166,732
Other Procurement	5,058,933	5,870,860	-348,697	5,522,163	6,030,274	0	6,030,274
Total, Army Procurement	15,824,633	16,150,097	132,529	16,282,626	16,605,530	-253,768	16,351,762
Navy:							
Aircraft	9,977,262	9,924,883	-362,276	9,562,607	10,250,270	-5,089,990	5,160,280
Weapons	5,265,847	6,502,332	-282,800	6,219,532	7,852,931	-4,808,472	3,044,459
Shipbuilding and Conversion	10,210,989	11,065,355	-983,900	10,081,455	11,858,438	-8,922,038	2,936,400
Other Procurement	5,905,651	4,983,827	-16,200	4,967,627	6,577,530	-5,483,329	1,094,201
Marine Corps	1,465,215	1,402,440	-24,000	1,378,440	1,646,475	-836,469	810,006
Total, Navy Procurement	32,824,964	33,878,837	-1,669,176	32,209,661	38,185,644	-25,140,298	13,045,346
Air Force:							
Aircraft	17,041,940	14,191,371	-436,498	13,754,873	17,221,426	-8,070,990	9,150,436
Missiles	8,050,718	9,772,693	-635,154	9,137,539	11,036,102	-3,871,963	7,164,139
Other Procurement	9,326,781	8,570,482	-359,700	8,210,782	9,820,236	-1,367,065	8,453,171
Total, Air Force Procurement	34,419,439	32,534,546	-1,431,352	31,103,194	38,077,764	-13,310,018	24,767,746
Defense Agencies Procurement	1,498,256	1,292,391	-15,500	1,276,891	1,511,051	-647,429	863,622
National Guard & Reserve Proc	557,000	0	300,000	300,000	0	0	0
Defense Production Act Purchases	—	--	--	--	--	--	--
NATO Cooperative Defense Programs	0	0	0	0	0	0	0
Coastal Defense Augmentation	200,000	0	0	0	0	0	0
Chem Agents and Munitions Destruct,Def	118,700	87,400	0	87,400	211,900	—	—
TOTAL, PROCUREMENT	85,443,012	83,943,271	-2,683,499	81,259,772	94,591,889	-39,351,513	55,028,476

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION
(DOLLARS IN THOUSANDS)

ACCOUNT	FY 1987 ESTIMATE	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	FY 1989 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION							
Army	4,771,917	5,511,172	-36,712	5,474,460	5,972,845	-3,103,832	2,869,013
Navy (including Marine Corps)	9,381,928	10,490,412	-221,675	10,268,737	10,044,819	-6,862,449	3,182,370
Air Force	15,191,572	18,623,383	-2,276,785	16,346,598	17,728,571	-9,760,791	7,967,780
Defense Agencies	7,171,871	8,811,532	-387,518	8,424,014	10,120,664	-6,578,789	3,541,875
Developmental Test and Evaluation	149,906	178,217	0	178,217	186,128	0	186,128
Operational Test and Evaluation	57,300	104,221	0	104,221	149,657	0	149,657
TOTAL, RESEARCH, DEVELOPMENT, TEST, AND EVALUATION	36,724,494	43,718,937	-2,922,690	40,796,247	44,202,684	-26,305,841	17,896,843
MILITARY CONSTRUCTION							
Army	1,339,129	1,182,100	-192,900	989,200	1,273,300	-1,051,500	221,800
Navy/Marine Corps	1,379,480	1,810,122	-144,620	1,665,502	1,826,226	-1,317,583	508,643
Air Force	1,239,780	1,485,850	-197,300	1,288,550	1,738,900	-1,474,537	264,363
Defense Agencies	534,170	851,720	-94,915	756,805	897,900	-748,250	149,650
Army National Guard	140,879	170,400	-5,370	165,030	161,100	-11,000	150,100
Air National Guard	148,925	160,800	-10,984	149,816	137,000	-9,000	128,000
Army Reserve	86,754	95,100	-7,000	88,100	108,000	-8,000	100,000
Naval Reserve	44,500	73,737	-5,000	68,737	56,923	-4,000	52,923
Air Force Reserve	58,900	79,300	-5,000	74,300	59,300	-4,000	55,300
NATO Infrastructure	232,000	396,000	-10,000	386,000	412,100	-10,000	402,100
Subtotal, Military Construction	5,204,517	6,305,129	-673,089	5,632,040	6,670,749	-4,637,870	2,032,879
FAMILY HOUSING							
Army	1,593,456	1,738,659	-69,000	1,669,659	1,874,269	-337,210	1,537,059
Navy	700,080	799,036	-66,000	733,036	922,367	-308,296	614,071
Air Force	805,511	926,533	-14,000	912,533	957,600	-57,580	900,020
Defense Agencies	16,643	19,700	0	19,700	20,000	-400	19,600
Homeowners Assistance Fund	5,600	2,800	0	2,800	2,000	0	2,000
Subtotal, Family Housing	3,121,290	3,486,728	-149,000	3,337,728	3,676,236	-603,486	3,072,750
TOTAL, MILITARY CONSTRUCTION AND FAMILY HOUSING	8,325,807	9,791,857	-822,089	8,969,768	10,346,985	-5,241,356	5,105,629

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION
(DOLLARS IN THOUSANDS)

ACCOUNT	FY 1987 ESTIMATE	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	FY 1989 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION
OPERATION AND MAINTENANCE							
Army	20,439,598	22,120,394	-429,094	21,691,300	23,679,570	-1,096,374	22,583,196
Navy	23,303,055	25,652,830	-564,671	25,088,159	26,526,092	-935,994	25,590,098
Marine Corps	1,809,649	1,918,367	-18,401	1,899,966	1,939,216	-32,481	1,906,735
Air Force	18,935,773	21,325,282	-345,535	20,979,747	22,208,044	-675,089	21,532,955
Defense Agencies	8,187,533	7,602,907	-209,356	7,393,551	7,800,619	-110,861	7,689,758
Army Reserve	780,121	879,103	-6,925	872,178	958,229	-43,179	915,050
Naval Reserve	886,761	957,115	-16,361	940,754	1,036,814	-53,188	983,626
Marine Corps Reserve	64,167	71,361	-2,389	68,972	85,160	-11,675	73,485
Air Force Reserve	932,467	1,018,257	-7,905	1,010,352	1,070,395	-32,966	1,037,429
Army National Guard	1,739,258	1,862,152	-12,488	1,849,664	2,055,011	-99,296	1,955,715
Air National Guard	1,795,528	1,972,992	-4,018	1,968,974	2,030,888	-28,068	2,002,820
Rifle Practice, Army	4,332	4,099	0	4,099	4,285	0	4,285
Claims, Defense	144,400	273,574	-75,000	198,574	211,152	-12,578	198,574
Court of Military Appeals, Defense	3,237	3,461	0	3,461	3,522	0	3,522
Environmental Restoration Fund	0	402,800	0	402,800	436,100	-15,249	420,851
Pan American Games	15,000	0	0	0	0	0	0
Humanitarian Assistance	10,000	0	13,000	13,000	0	0	0
TOTAL, OPERATION & MAINTENANCE	79,070,880	86,064,694	-1,679,143	84,385,551	90,045,097	-3,146,998	86,898,099
SPECIAL FOREIGN CURRENCY	3,500	0	0	0	0	0	0
REVOLVING AND MANAGEMENT FUNDS							
Def Prod Guarantees, FFB Loans	0	0	0	0	0	0	0
Army Stock Fund	110,100	263,207	-26,300	236,907	349,929	0	349,929
Navy Stock Fund	352,570	404,400	-40,400	364,000	434,581	0	434,581
Marine Corps Stock Fund	822	0	0	0	0	0	0
Air Force Stock Fund	139,980	326,007	-32,600	293,407	224,738	0	224,738
Defense Stock Fund	47,200	207,600	-20,700	186,900	122,700	0	122,700
Navy Industrial Fund, FFB Loans	0	0	0	0	0	0	0
ADP Management Fund	0	0	0	0	0	0	0
TOTAL, REVOLVING AND MANAGEMENT FUNDS	650,672	1,201,214	-120,000	1,081,214	1,131,948	0	1,131,948

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION
(DOLLARS IN THOUSANDS)

ACCOUNT	FY 1987 ESTIMATE	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	FY 1989 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION
DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS							
Operating Expenses	6,012,467	6,398,200	26,500	6,424,700	6,784,595	--	--
Plant Construction	975,149	1,129,000	5,000	1,134,000	1,168,065	--	--
Capital Equipment	494,236	522,800	10,000	532,800	547,340	--	--
Reductions	-3,852	0	-267,100	-267,100	0	--	--
TOTAL, DOE PROGRAMS (053)	7,478,000	8,050,000	-225,600	7,824,400	8,500,000	--	--
FEMA CIVIL DEFENSE PROGRAM	--	154,800	-20,000	134,800	--	--	--
GRAND TOTAL OF BILL	217,696,365	232,924,773	-8,473,021	224,451,752	248,818,503	-74,045,708	166,060,995

FINDINGS OF THE COMMITTEE'S HEARINGS

The committee and its subcommittees conducted a total of 60 hearings in review of the President's defense authorization request for fiscal years 1988 and 1989. The findings of these hearings are described below.

STRATEGY HEARINGS

The committee held 16 hearings on U.S. national security strategy and its military strategy component during which testimony was received from 32 witnesses. This series of strategy hearings had two major objectives. The first was to place increased attention on the formulation and articulation of U.S. strategy. The President's first annual report on the national security strategy of the United States, received during January 1987, is a helpful initiative to that end. The second objective was to provide the committees with a comprehensive context in which to conduct its oversight responsibilities and to review the defense authorization request for fiscal years 1988 and 1989. Strategy will continue to be a high-priority topic for the committee throughout the 100th Congress.

The strategy hearings also represented an important element of the committee's plans for shifting the focus of activity away from an excessively detailed, line-item review of the defense budget and toward consideration of the fundamental issues of national defense. In its markup of the defense authorization request, the committee changed fewer than 200 of the thousands of line items in the budget request. This broad approach is also reflected in the shorter length of this report.

The committee's hearings reinforced the view that strategymaking is receiving insufficient attention. The Department of Defense remains troubled by the absence of a strong strategic planning tradition. Programming and budgeting continue to dominate organizational activity. Moreover, during its review of the defense authorization request, the committee noted a lack of a direct link between our strategy and the defense budget. The strategic hearings did, however, provide a useful framework for the macro-budget and subcommittee hearings that followed.

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

The Strategic Forces and Nuclear Deterrence Subcommittee held a total of 18 hearings on various items within its purview, virtually all of which highlighted either major problem areas or programs that are contentious issues. The subcommittee recognizes, however, that major improvements in our strategic and theater nuclear forces have occurred, many of which have been under way since the 1970s. For most of this decade, a vigorous strategic modernization program has been under way, one which has already produced new and expanded capabilities in all three legs of the strategic triad, and in command, control and communications. The subcommittee also recognized that problems and shortfalls exist in conventional forces and readiness and sustainability accounts. In a period of flat or declining defense budgets in real terms and substantial unmet needs outside the strategic forces areas, priorities for new strategic initiatives must be reviewed with special scrutiny.

The subcommittee assigns the highest priority to on-going surveillance, warning and command, control and communications programs, the Trident submarine and Trident II missile programs, and the Advanced Technology Bomber. These programs comprise the heart of the ongoing strategic modernization effort.

In electing to preserve the momentum in these important areas, the committee recognized that it would be unable to fund fully programs to the requested level in other areas, including development of the Small ICBM (or Midgetman) and research on the proposed Rail-Garrison MX system. The subcommittee also agrees on the need for a robust, long-term SDI research program. As a result of its hearings on the B-1B, the subcommittee recommended tighter oversight controls on the funds provided to fix the B-1B defensive avionics problem and denial of funding for additional modifications. Finally, the subcommittee recommended continued development of the Air Force's Miniature Homing Vehicle (MHV) ASAT.

The subcommittee also recommended an increase in the funding for the program to convert the Air Force's current fleet of aerial tankers to KC-135R configuration, which increases the fuel offload capability by over 50% and provides significant savings due to lower operating costs.

In other areas under its jurisdiction, the subcommittee recommended: (1) full funding of the chemical weapons program with the exception of the BIGEYE bomb, which has been delayed in its test schedule; (2) procurement of the last increment of Ground Launched Cruise Missiles (GLCM); and (3) continuation of dual source procurement for the Tomahawk missile although at a somewhat reduced level from the request.

The subcommittee also has jurisdiction over Department of Energy National Security Programs and recommended funding at approximately last year's level adjusted for inflation. The subcommittee identified several significant actions needed to provide an assured source of critical nuclear materials. To make funds available to meet future needs, the subcommittee recommended that the Department of Energy place the N-reactor at Richland, Washington, in a standby status and initiate a project for a new production reactor as a matter of urgent priority. The subcommittee also has jurisdiction over the Federal Emergency Management Agency and recommended funding at close to the requested level.

Subcommittee on Conventional Forces and Alliance Defense

The Conventional Forces and Alliance Defense Subcommittee has responsibility for reviewing our major conventional defense commitment—the conventional defense of Europe and North East Asia. The subcommittee oversees the unified commands assigned those responsibilities. To complement those duties, the subcommittee is responsible for reviewing the the development and procurement proposals for the conventional weapon systems required to meet those military requirements.

The subcommittee is assigned oversight over some 13 percent of the budget. Under its jurisdiction are all land combat systems in the Army, tactical aircraft in the Army, Navy, and Air Force, missile systems launched from those combat aircraft, as well as related other procurement. The Subcommittee has oversight duties over $8.3 billion in R&D in fiscal year 1988 and $9.0 billion in fiscal year 1989.

The Conventional Forces and Alliance Defense Subcommittee held detailed hearings this year and learned of deficiencies which seriously bring into question the ability of our forces to meet our conventional defense requirements. The committee has incorporated recommendations in the bill to address these key deficiencies to the maximum extent possible in a constrained budget environment. The following are the key findings of the hearings, and the recommendations of the Conventional Forces and Alliance Defense Subcommittee.

PREMATURE TERMINATION OF ARMY MODERNIZATION

The Army modernization program is being prematurely terminated far short of requirements. The following table, developed from data provided by the Army, shows the percentage of requirements met for the major combat systems.

Status of Army Modernization Program

	Last Year Procured	Percent Modernized	Follow-on Scheduled
AH-64 helicopter	1988	49 %	1995
UH-60 helicopter	1991	36 %	1996
MLRS rocket launcher	1993	49 %	no follow on
M1 tank	1992	71 %	1996
M2 fighting vehicle	1991	60 %	1996

These five systems are the key systems constituting the Army modernization program. All are scheduled for termination within a few years, well short of satisfying the longstanding requirements. More alarmingly, follow-on systems to replace these current front-line weapons are not scheduled to enter service for many years. In some instances a seven year gap separates termination of one system with the fielding of its follow-on.

While this situation is a serious deficiency in its own right, the problem has been highlighted by the prospect of removing short- and medium-range nuclear weapons from Europe. Nuclear weapons in Europe have masked some underlying conventional disparities. If less reliance is placed on nuclear weapons in Europe, the United States and the NATO allies should strengthen conventional defenses. Conventional defense is threatened if the Army's modernization is foreshortened with wide gaps between the production of current systems and follow-on systems.

PRODUCTION STRETCHOUTS

The budget as submitted proposes serious production stretchouts for many weapon systems. The following table shows all the major combat systems that are being stretched out *below the level provided last year*.

Production Stretchouts Below FY87 Level

	FY87 Level	Request
EH-60 helicopter	18	5
AH-64 helicopter	101	67
UH-60 helicopter	82	61
M2 fighting vehicle	662	616
Field Artillery Vehicle	141	65
M1 tank	800	500
EA-6B jammer aircraft	12	6
AV-8B bomber/fighter	42	32
F-14 fighter	15	12
SH-60B sub-hunting helicopter	17	6
E-2C early warning aircraft	10	6
HARM anti-radiation missile	1078	766

The subcommittee, together with the Defense Industry and Technology Subcommittee, held hearings on this critical problem. The committee learned of the following serious trends in recent years.

—During the past five years, weapons have been produced at just 50 percent of efficient production capacity.

—A fourth of the major acquisition programs during the past five years were manufactured at a rate below the minimum economic rate for those systems.

—Half of the largest 20 weapon systems were stretched out compared to last year's plans.

The key cause of the production rate problem is that the defense budgeting system permits more programs to be included in the budget than there are funds available to procure those programs. The Comptroller General summarized the problem when he testified that:

"Historically, too many weapon systems have been started or proposed for the limited funding available, and often the cost estimates for the systems have been overly optimistic. This combination—too many programs and optimistic cost-estimating—has produced the much discussed 'bow wave' phenomena where future funding requirements out-strip funding availability."

Inefficient production rates are a deep-seated, long-term problem. It is extremely difficult to reverse the trends because investment plans, once started, develop substantial momentum. The subcommittee's changes to the budget request emphasize maintaining efficient production rates and delaying the start of new generation systems until current procurement programs are completed.

NAVY AVIATION

While the Navy decided to accelerate the procurement of aircraft carriers, it chose to stretchout the procurement of combat aircraft. The following table shows aircraft stretchouts in the Navy.

Navy Aircraft Procurement (1988-1991)

	1987 Plan	1988 Plan	Reduction Number	Reduction Percent
F-14 fighter	90	73	-17	-19%
F-18 fighter/bomber	590	300	-290	-49%
AV-8B bomber	168	94	-74	-44%
A-6 medium bomber	78	78	--	--
EA-6B electronic jammer	48	33	-15	-31%
CH-53E helicopter	40	32	-8	-20%
V-22 tiltrotor aircraft	108	57	-51	-47%
AH-1T attack helicopter	0	34	+34	--
SH-60 sub-hunting helo	96	96	0	--
P-3 sub-hunting patrol	36	29	-7	-19%
E-2C early warning aircraft	24	24	--	--
Total	1278	850	-428	-33%

A third of all the combat aircraft in last year's Five Year Defense Plan were removed from the budget at the same time that the size of the fleet is expanding. These specific stretchouts will result in an older fleet. The average retirement age last year was 23 years. Now the average retirement age will be 26 years. This trend is worrisome. The Congressional Budget Office testified that the Navy would require $26 billion to return to the desired fleet age in last year's plan. Such an enormous bill is not likely to ever be paid. And in the face of future likely funding constraints, the trend toward aging Navy aircraft will accelerate, with adverse long-term consequences for the combat capabilities of Navy aviation.

The Conventional Forces and Alliance Defense Subcommittee and the Projection Forces and Regional Defense Subcommittee have addressed this problem to the maximum extent possible, but are not able to reverse this problem. A fundamental reassessment of priorities within the Department is required for any long-term solution.

SUBCOMMITTEE ON PROJECTION FORCES AND REGIONAL DEFENSE

The Subcommittee on Projection Forces and Regional Defense is responsible for oversight of the military missions of defense of

Southwest Asia and defense of other regions where the United States does not have substantial forces deployed in peacetime. The subcommittee also reviews policies and programs for the missions of sea control and maritime force projection in regional areas as well as in NATO and East Asia.

The subcommittee is responsible for those budget elements of research and development and procurement related to these missions, including shipbuilding and conversion (excluding strategic forces), naval aviation (excluding carrier-based aircraft), Marine Corps (excluding tactical aviation), airlift and sealift, and Special Operations Forces.

A key programmatic issue for the subcommittee in the Defense Authorization Request for fiscal years 1988 and 1989 is the proposal for the early replacement of two aging, increasingly ineffective aircraft carriers. The administration proposes to procure one aircraft carrier in fiscal year 1990 and a second carrier in fiscal year 1993. Under previous plans, these carrier procurements were scheduled for fiscal years 1994 and 1996. The revised replacement program arises from economic advantages of heel-to-toe production with aircraft carriers currently under construction.

Within its areas of responsibility, the subcommittee determined that it should give highest priority to correcting deficiencies in three mission areas: antisubmarine warfare, strategic mobility, and special operations. Recent improvements in Soviet capabilities have diminished the margin of U.S. antisubmarine warfare superiority. The subcommittee has given special emphasis to a range of programs to begin to restore superior U.S. Navy capabilities for antisubmarine warfare.

Inadequate strategic mobility is a major deficiency in carrying out U.S. military strategy. At present, the United States has substantially more combat capability than it can deploy in a timely manner during periods of crisis or war. The subcommittee continues to believe that the C–17 airlift aircraft is critical to offsetting airlift shortfalls. Although substantial progress has been made in recent years in improving sealift capabilities, the subcommittee is concerned about limited fast sealift and insufficient merchant seamen to crew sealift ships during mobilization contingencies.

The subcommittee is giving increased emphasis to Special Operations Forces (SOF). Progress on improving special operations capabilities has been mixed. The subcommittee found the program to increase SOF airlift to be sound and fully justified. Despite this positive note, bureaucratic resistance to the congressionally mandated reorganization of SOF forces remains a serious concern. In particular, the subcommittee views the failure to nominate in a timely manner the Commander in Chief of the U.S. Special Operations Command and the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict as a major shortcoming in DOD's performance. Lastly, the subcommittee believes that the decision to locate the headquarters of the U.S. Special Operations Command at MacDill Air Force Base, Florida requires further study.

SUBCOMMITTEE ON DEFENSE INDUSTRY AND TECHNOLOGY

Defense Industry and Technology is a new subcommittee whose major mission focus is to marshall defense resources and policies in such a way as to ensure United States technological superiority over potential adversaries, and to promote the effective application of that technology to meet national security needs. The subcommittee is responsible for reviewing the foundations of defense programs—the defense industrial base, the technology base, national defense stockpile policies, technology transfer, certain defense laboratories, and defense acquisition policy, including review of reforms stemming from the Packard Commission.

Its oversight of DOD agencies includes the Undersecretary of Defense for Acquisition and his organization, the Defense Investigative Service, the Defense Contract Audit Agency, the Director of Operational Test and Evaluation, and the Defense Technology Security Administration. In the budget area the subcommittee is responsible for reviewing, among others, the technology base research and development accounts, certain defense laboratories, and certain other technology programs. The subcommittee has jurisdiction over $7.5 billion in fiscal year 1988 and $7.9 billion in fiscal Year 1989.

The subcommittee held detailed hearings this year that examined the underpinnings of national defense—the industrial and technological bases, and the policies that support them. In support of these broad areas, joint hearings were held with the Conventional Forces and Alliance Defense Subcommittee to focus specifically on efficient production rates for defense systems, milestone authorizations, and the Balanced Technology Initiative. The hearings revealed serious deficiencies in the most basic foundations of national defense, and identified the need for positive actions to reverse a continuing decline in the ability of industry and defense laboratories to provide our nation with a cost-effective, qualitative edge over potential adversaries. The following are key findings from the hearings.

INADEQUATE FUNDING FOR THE TECHNOLOGY BASE

The technology base share of DOD funding has been declining since 1965. This share, expressed as a percentage, has declined from about 3.1% of total DOD obligations in fiscal year 1965, to about 1% in fiscal year 1988. This continuous decrease in funding has led to an erosion in our long-term ability to sustain a qualitative edge over potential adversaries in our defense systems. Although DOD proposes small increases in the funding for its Science and Technology programs, the increase should be greater if the United States is to sustain the health and vitality of the defense technology base.

INADEQUATE FUNDING FOR THE INDUSTRIAL BASE

The defense industrial base, for a variety of reasons, is losing its ability to respond to challenges from foreign industry, and is rapidly losing its ability to respond to defense needs. To a growing extent, our defense needs are being filled by off-shore sources. This is especially true for second and third tier industries. The ability of

U.S. industry to support defense needs as well as compete in the world economy is one of the most crucial questions before the country. The U.S. semiconductor industry is a significant example, and in response, DOD has requested $50 million to begin a coordinated government-industry effort that will address the problems of the semiconductor industry, with a specific focus on manufacturing technologies. Similar initiatives are being prepared on infrared focal plane arrays, machine tools, and precision optics.

Except for the Air Force, the individual services are not supporting the manufacturing technology programs to the degree necessary to sustain a strong and vibrant manufacturing research effort needed for defense systems. Additional funding and centralized oversight are needed within the Office of the Secretary of Defense to develop a defense industrial strategy that coherently integrates defense industry and the technology base within the context of our international economic and defense policies.

BALANCED TECHNOLOGY INITIATIVE

DOD has made modest progress in formulating a plan to implement the Balanced Technology Initiative, but considering the magnitude of the proposals and the demand for leap-ahead conventional technologies, additional funding is needed. This additional funding should be provided to the Office of the Secretary of Defense for application to those technologies that can provide significant advances in the capabilities of U.S. conventional forces.

It has become apparent that confusion exists in the Department of Defense with respect to the relationship of the Balanced Technology Initiative to the Conventional Defense Initiative. Specific steps are necessary to de-link these so that the proper focus can be placed on the Balanced Technology Initiative.

ACQUISITION POLICY REFORM

Recent actions by both the Department and Congress have had an adverse effect on the defense industry, but it is premature to make a detailed assessment or to recommend appropriate corrective actions.

There is evidence, however, suggesting that the procurement system presently is suffering from regulatory overload as a result of the number and scope of recent regulatory and legislative changes. Of particular concern is the heavy burden imposed by unnecessary and duplicative administrative and contract management oversight of defense contractors by DOD and other government agencies. Although this is often addressed as excessive audit, it is clear that the problem is not one of excessive audit as used in the classical business sense, but instead is a problem of far too much duplicative micromanagement of industry on the part of numerous government offices.

It is also clear that implementation of last year's reforms is largely incomplete and DOD is still in the stage of writing regulations, either at the OSD or military department level. With respect to the recent changes that have been implemented, it is generally too early to make a definitive assessment of the impact of these changes.

The committee is disappointed with the slow pace of implementation by DOD. Sound administration of acquisition policy requires a stable regulatory environment, and the uncertainty caused by excessive delays in promulgating rules is contrary to the best interests of national defense. The Subcommittee on Defense Industry and Technology will monitor DOD's efforts closely in the coming months to ensure that DOD eliminates its regulatory backlog.

DETERIORATION IN GOVERNMENT-INDUSTRY RELATIONS

The deterioration in government-industry relations is perhaps the most serious problem facing the defense industrial base. It results in a breakdown of the business relationships between the DOD and its industrial suppliers, and their suppliers in turn. Perhaps most critical is the long-term impact on innovation—on R&D and professional services—the "ideas" portion of the defense industrial base.

The committee received testimony identifying the following as symptomatic of an unhealthy, adversarial relationship between government and industry: reduced profit policy, delayed and reduced progress payments, 3- to 4-year delay for auditing and payments on completed work, "cost sharing" on high-risk research that is only applicable to DOD, long stretchouts in the time to award contracts, delays in awards due to new protest procedures, abuse of suspension and debarment procedures, fixed price contracts on high-risk developments, increases in "disallowances" for incurred costs on government contracts, abuse of proprietary data rights, encouraging professional and technical service companies to bid based at 60 to 70 hour work weeks while paying them for only 40 hours (called "uncompensated overtime"), continuous budget uncertainties on programs, program stretchouts that require inefficient development and low-rate production, and making competitive contract awards for "low bids" instead of best value.

Each of the foregoing actions may well have been taken in a good faith effort to address a specific acquisition policy problem. The committee is concerned, however, that in combination these actions may produce a serious adverse impact on innovation and risk-taking. Because DOD's implementation has proceeded at such a slow pace, the overall impact of these policies cannot be evaluated in a comprehensive manner at this time. The committee expects DOD to identify promptly any statutory provisions that have a negative impact on innovation, and the subcommittee on Defense Industry and Technology intends to hold further hearings to ensure that there has been thorough evaluation of the impact of recent legislation on our technological developments.

SUBCOMMITTEE ON READINESS, SUSTAINABILITY AND SUPPORT

The Subcommittee on Readiness, Sustainability and Support has a broad charter to oversee two key measures of our military capability—the ability to go to war today and the ability to sustain deployed forces as required during conflict. The subcommittee is responsible for reviewing those elements of the annual Defense Authorization request which are associated with the operations and maintenance of our military forces and with those items of procurement particularly related to readiness and sustainability, such as conventional ammunition and spare parts. The subcommittee also oversees the operation of the Revolving and Management Funds and reviews the budget request for military construction and family housing.

In its review of the fiscal year 1988/1989 Defense Authorization request, the subcommittee received testimony from designated representatives of five of the Unified Commanders in Chief; from the senior logistics commanders in the military services and the Defense Logistics Agency; and from the senior officials of the Office of the Secretary of Defense responsible for setting priorities within the annual Defense budget request. The hearings provided the subcommittee with an overview of the recent achievements and remaining problems throughout the Department of Defense in the areas of readiness, sustainability and support, and how the fiscal year 1988/1989 Defense Authorization request addresses these problems.

There is no question that there have been substantial improvements in the readiness and sustainability of our military forces in recent years. Due in large part to the sustained high quality of personnel entering and staying in the services, the day-to-day readiness of our forces is very high. However, the subcommittee is concerned that the gains in readiness and sustainability that we have achieved during the first half of the 1980's are being placed in jeopardy by the imbalances in the fiscal year 1988/1989 Defense Authorization request.

SUSTAINABILITY REMAINS GREATEST CONCERN OF CINCS

The subcommittee found that despite recent improvements, sustainability remains the greatest concern of the Unified Commanders in Chief.

Admiral Ronald J. Hays, Commander-in-Chief of the United States Pacific Command, testified before the committee that:

> From the Unified Commander perspective my number one urgency is sustainability. We have superb forces in being. We cannot sustain them on a prolonged basis, because the spare parts, the sophisticated ammunition, in the quantities that we would anticipate being required, are not available * * * In some cases, it is a matter of days for some of the sophisticated ammunition.

General Bernard W. Rogers, the Commander-in-Chief of United States European Command, gave similar testimony before the Committee:

> Although there has been continual improvement over the last 5 years, stocks of major end items of Army equipment, repair parts and Air Force war reserve kits are still not able to sustain 30 days of conflict * * *.
>
> To provide just a few examples, the following key items are at stockage levels below 5 days of supply or 30% of that required to counter specific threat targets: modern artillery munitions, 5-ton trucks, drive train components for wheeled vehicles and M1 tanks, air-to-air missiles, air-

> launched HARPOON air-to-ship missiles, HARM/SHRIKE anti-radiation missiles, and anti-runway (DAACM/DURANDAL) munitions.
>
> These shortfalls are so significant that efforts to conduct a prolonged conventional defense of Europe, as currently envisioned by our national strategy, could prove impractical.

Finally, General George B. Crist, Commander-in-Chief of United States Central Command testified:

> Serious shortages exist in ground forces War Reserve supplies and equipment. We do not attain even 50% of the requirement for supplies and equipment in either FY88 or FY89. FY88 equipment funding provides only some improvement. Again the total available will be less than half of the requirement. There is no significant improvement by FY89.

SPARE PARTS FUNDING CUT BACK

The subcommittee found that funding for spare parts in the fiscal year 1988/1989 Defense budget request, a key ingredient of readiness and sustainability, has been reduced below the level projected for fiscal year 1988 in last year's budget for all of the military services.

This year the Army asked for $274 million, or 35%, less in aircraft spare parts funding in FY88 than they projected last year for fiscal year 1988. Army aircraft spare parts funding in both fiscal year 1988 and fiscal year 1989 is below the fiscal year 1987 level. This raises the question of whether the Army will have enough aircraft spare parts over the next several years to support its proposed growth to 20 hours of monthly cockpit time for combat aircrews.

The Navy asked for $234 million less in aircraft spare parts funding than they projected last year for fiscal year 1988. The fiscal year 1989 level is even lower: $361 million, or 22%, below the fiscal year 1987 appropriated level. Navy officials testified that they hope to achieve these reductions through better management of the spare parts procurement process, with no reduction in spare parts support. However, if these savings aren't achieved, the reduced funding will mean reduced readiness.

This year the Air Force asked for $1.5 billion, or 33%, less in spare parts funding than it projected for fiscal year 1988 in last year's budget. According to the Air Force, last year's budget request funded only 56% and 58% of the Air Force's annual spare parts requirements in fiscal year 1987 and fiscal year 1988 respectively. But this year, the Air Force indicated that the fiscal year 1988/1989 budget funds only 52% and 45%, respectively, of their annual spare parts requirements. So the gap between annual requirements and funding that we saw in the Air Force spare parts program last year gets worse this year, and even worse next year.

All of the designated representatives of the Unified Commanders in Chief expressed concern that Air Force tactical aircraft sustainability would decrease by 19% by 1991 from where it is today because of spare parts funding cuts.

GROWING MAINTENANCE BACKLOGS

Real property and depot maintenance are two other key readiness indicators where the trends are headed downward. Both Congress and the Defense Department have made strong efforts over the last several years to reduce the backlog of real property maintenance in the military services. Unfortunately, the level of real property maintenance funding in fiscal year 1988/1989 means that the backlog of real property maintenance will increase in all four services in fiscal year 1988 and increase again in fiscal year 1989.

At the same time that our current facilities are deteriorating, the allocation of resources within the Defense budget to construction of new facilities falls well short of the Defense Department's goal of replacing facilities, on average, every fifty years. While the current stock of facilities continues to age and deteriorate, the fiscal year 1988/1989 budget requests funds to develop several new or expanded installations at home and overseas, plus several new administrative complexes here in the Washington, D.C. area. This raises questions about our priorities: why should we construct new installations when we aren't maintaining what we already have?

There was a great deal of concern in the early 1980's about the need to bring down the large backlogs of weapons and equipment overdue for depot-level maintenance. Working together, Congress and the Defense Department have been able to reduce these depot maintenance backlogs to manageable levels. But according to the testimony from Army and Air Force officials, the depot maintenance funding levels in this year's budget will result in depot maintenance backlogs in the Army and Air Force that are substantially larger, even as a percentage of the total annual requirement, than we had in 1980.

This budget funds 96% of the Air Force depot maintenance requirement in fiscal year 1988, but only 88% in fiscal year 1989. The comparable figure for fiscal year 1980 is 95%. The Air Force is currently projecting a depot maintenance backlog of over $400 million in fiscal year 1989.

This budget funds only 79% of the Army's depot maintenance requirement in fiscal year 1988, and only 78% in fiscal year 1989. The comparable figure for fiscal year 1980 is 89%. The Army is currently projecting a depot maintenance backlog of approximately $500 million for fiscal year 1989.

LOW LEVEL OF READINESS OF COMBAT SUPPORT AND COMBAT SERVICE SUPPORT UNITS

A final area of concern raised by all of the designated representatives of the Unified Commanders in Chief was the low levels of readiness of our combat support and combat service support units in both the active and reserve components.

The Central Command witness testified that 30% of CENTCOM's active and reserve combat support units and 27% of CENTCOM's combat service support units were rated not combat ready because of shortages of trained personnel.

General Rogers testified before the committee that "The Army's CSS structure, even when augmented by available and planned

Host Nation Support, is incapable of supporting the forces currently in Europe, such as the reinforcing units."

The active Army is heavily dependent on the Army Reserve for combat support and combat service support, but 55% of Army Reserve units in fiscal year 1986—more than 1 of every 2 units—were rated not combat ready.

This testimony on the readiness of our ground combat support and combat services support units raises serious questions about the long-term sustainability of our ground forces in combat.

COMMITTEE'S APPROACH TO READINESS, SUSTAINABILITY AND SUPPORT PROGRAMS

The committee's actions in the areas of readiness, sustainability and support were shaped by the testimony drawn from the hearings.

First, the committee attempted to minimize the reductions to the budget request in the areas of readiness, sustainability and support.

Secondly, the reductions that were necessary to meet the budget targets were made as broadly and generically as possible in order to give Defense Department managers the greatest flexibility to minimize the impact of the reductions on readiness and sustainability programs.

Thirdly, in making adjustments to the military construction request, the committee attempted to preserve projects which promised near-term readiness enhancements and those supporting new systems and quality of life, particularly at austere locations. Whenever possible, the committee also attempted to respect the Unified Commanders' priorities and the balance within each Service's request.

Finally, certain readiness and sustainability programs—spare parts funding and conventional ammunition procurement—were not reduced at all, or were reduced only to reflect "fact-of-life" changes. The committee was able to increase funding for Army depot maintenance in fiscal year 1988, a critical readiness area of the fiscal year 1988 budget that was seriously underfunded.

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

There is no question that the investments that the Congress has put into the manpower accounts have produced very positive results. The military services are recruiting and retaining quality men and women at record levels, and the manpower shortfalls in the Army and Navy that threatened combat readiness in the active forces a few years ago have been largely corrected.

This year, the Subcommittee on Manpower and Personnel held several hearings to receive testimony from witnesses from the Department of Defense, the General Accounting Office, the Congressional Budget Office, and from public witnesses on the manpower portion of the Defense Authorization request for fiscal years 1988 and 1989. The Committee's recommendations are based on a thorough analysis of the testimony received by the Subcommittee on Manpower and Personnel, and other information and reports furnished by the Department of Defense.

The committee focused on three broad areas: 1) the manpower needs of the Total Force; 2) recruiting, retention, and compensation programs for the Total Force; and 3) medical readiness and peacetime medical care programs. The committee's recommendations are designed to preserve and enhance, where appropriate, the substantial improvements that have been made in these areas.

Although substantial improvements have been made in the manpower posture of our active forces, the committee remains concerned about the manpower readiness of our Reserve Forces. Serious deficiencies exist in the individual skill qualification of Reserve Forces personnel, reportedly the second most critical factor limiting readiness in these forces, and in the manning of Reserve Forces wartime medical requirements which constitute 80 percent of wartime medical support.

The committee recommends that the majority of the legislative initiatives requested by the Department of Defense aimed at correcting these problems, and at sustaining improvements in the active force, be approved.

MILESTONE AUTHORIZATIONS

Last year the Congress amended title 10 to require the Department of Defense to establish program management baselines for major defense acquisition programs. The Congress also directed the Department to adopt streamlined acquisition procedures and structures for major acquisition programs. Those streamlined programs were called Defense Enterprise Programs. Congress also amended title 10 to establish a procedure for authorizing those programs on the basis of acquisition milestones rather than on the basis of annual funding increments.

These initiatives were key recommendations of the Packard Commission and will serve as the cornerstone of a new structure of acquisition policy and congressional oversight which will provide greater stability to program managers and reduced interference from Congress for well managed programs. The committee strongly endorses these changes.

Last year Congress directed that the Department designate not less than 10 programs as Defense Enterprise Programs and recommend that three of them be nominated for milestone authorizations. The committee believes the Department has designated 10 excellent programs and supports the three which were nominated for milestone authorization.

The committee notes, however, that the three programs designated for milestone authorization are in procurement. This raises two concerns. First, the committee believes the Department has been too reticent to proceed with this key innovation, and should also have considered programs in development. Second, the committee is concerned that milestone authorization of procurement programs not undermine the Department's multiyear procurement initiative. Multiyear programs have to demonstrate cost savings compared to annual procurement. No comparable provision or administrative guideline has been imposed on procurement programs nominated for milestone authorization. The committee believes future milestone authorizations for procurement programs should demonstrate cost savings in a manner comparable to multiyear procurement contracts.

The committee has provided milestone authorization for five major acquisition programs: the Army's Mobile Subscriber Equipment system and Tactical Missile System, the Navy's Trident II missile and T-45 training system, and the Air Force's Medium Launch Vehicle. In each instance where appropriate, authorization is provided to complete development. Procurement authorization is provided for up to five years.

The committee included a provision (sec. 807(a)) amending section 2435 of title 10 which established baselining. Section 2435 establishes the baseline description requirement and directs program managers to report at any time that the cost or schedule specified in the baseline description is likely to be breached. The committee believes the Department must have some flexibility in reporting deviations. Section 807(a) amends section 2435 by adopting the same deviation criteria currently being used within the Department for major acquisition programs.

The committee also included a provision (sec. 807(c)) which clarifies the intent of the Congress that the Under Secretary of Defense for Acquisition establish uniform procedures for implementing baselining.

BIENNIAL BUDGETING

For the first time in history, the committee has reported a biennial authorization bill containing authorization for both fiscal year 1988 and 1989. The fiscal year 1986 Defense Authorization Act required the department to submit a biennial budget for fiscal years 1988 and 1989.

The committee remains convinced that biennial budgeting will substantially improve program stability for defense programs and improve the quality of congressional oversight.

Because this is the first attempt at a biennial budget, the committee was not able to authorize a complete fiscal year 1989 program. The administration's budget submission for fiscal year 1989 failed to meet the budget deficit reduction targets specified in the Gramm-Rudman-Hollings amendment, thus making it impossible to establish an overall spending level for defense in fiscal year 1989. The overall budget for fiscal year 1989 will be subjected to significant alteration as the administration submits a revised budget next year.

The committee sought to authorize the maximum amount of programs in fiscal year 1989 by concentrating on solid, stable programs. Through this approach the bill authorizes approximately 73 percent of the budget request for fiscal year 1989.

All of the tables indicate the level of funding by appropriation account authorized for fiscal years 1988 and 1989. Only those programs listed are authorized at the amount indicated. The absence of an authorization in fiscal year 1989 does not represent a prejudicial reduction by the committee.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATION

TITLE I—PROCUREMENT

The recommendations of the committee for the procurement of various defense weapons and equipment appear in the following pages.

SUMMARY OF PROCUREMENT CHANGES

The table below summarizes the committee's recommendations for the procurement part of the defense budget request for fiscal years 1988 and 1989.

SUMMARY OF PROCUREMENT CHANGES
(DOLLARS IN THOUSANDS)

ACCOUNT	FY 1987 ESTIMATE	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	FY 1989 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION
PROCUREMENT							
Army:							
Aircraft	2,754,850	2,473,959	331,900	2,805,859	2,229,539	413,544	2,643,083
Missiles	2,193,800	2,458,466	-45,538	2,412,928	2,923,200	-555,739	2,367,461
Weapons & Tracked Combat Vehicles	3,729,900	3,152,537	257,900	3,410,437	3,227,762	-83,550	3,144,212
Ammunition	2,067,150	2,194,275	-63,036	2,131,239	2,194,755	-28,023	2,166,732
Other Procurement	5,056,933	5,870,860	-348,697	5,522,163	6,030,274	0	6,030,274
Total, Army Procurement	15,824,633	16,150,097	132,529	16,282,626	16,605,530	-253,768	16,351,762
Navy:							
Aircraft	9,977,262	9,924,383	-362,276	9,562,107	10,250,270	-5,089,990	5,160,280
Weapons	5,265,847	6,502,332	-282,800	6,219,532	7,852,931	-4,808,472	3,044,459
Shipbuilding and Conversion	10,210,989	11,065,355	-983,900	10,081,455	11,858,438	-8,922,038	2,936,400
Other Procurement	5,905,671	4,983,827	-16,200	4,967,627	6,577,530	-5,483,329	1,094,201
Marine Corps	1,465,215	1,402,440	-24,000	1,378,440	1,646,475	-836,469	810,006
Total, Navy Procurement	32,824,984	33,878,837	-1,669,176	32,209,661	38,185,644	-25,140,298	13,045,346
Air Force:							
Aircraft	17,041,940	14,191,371	-436,498	13,754,873	17,221,426	-8,070,990	9,150,436
Missiles	8,050,718	9,772,693	-635,154	9,137,539	11,036,102	-3,871,963	7,164,139
Other Procurement	9,326,781	8,570,462	-359,700	8,210,782	9,820,236	-1,367,065	8,453,171
Total, Air Force Procurement	34,419,439	32,534,546	-1,431,352	31,103,194	38,077,764	-13,310,018	24,767,746
Defense Agencies Procurement	1,498,256	1,292,391	-15,500	1,276,891	1,511,051	-647,429	863,622
National Guard & Reserve Proc	557,000	0	300,000	300,000	0	0	0
Defense Production Act Purchases	—	—	—	—	—	—	—
DOD NATO Cooperative Programs	0	0	0	0	0	0	0
Coastal Defense Augmentation	200,000	0	0	0	0	0	0
Chem Agents and Munitions Destruct,Def	118,700	87,400	0	87,400	211,900	—	—
TOTAL, PROCUREMENT	85,443,312	83,943,271	-2,683,499	81,259,772	94,591,889	-39,351,513	55,028,476

EXPLANATION OF TABLES

The tables in this title display items requested by the administration for fiscal year 1988 in which the committee either increased or decreased the requested amounts. Items that are not displayed have been approved by the committee in the fiscal year 1988 amounts requested in the Department of Defense's budget justification documents. As in the past, the administration may not exceed the amounts approved by the committee (as set forth in the tables or, if unchanged from the administration's request, as set forth in the Defense Department's budget justification documents), without an appropriate reprogramming action in accordance with established procedures.

The tables in this title also display all items for which the committee has authorized funds for procurement in fiscal year 1989, including those in which the committee approved the administration's request. The Department of Defense may not exceed the amounts approved by the committee without an appropriate reprogramming action in accordance with established procedures.

UNDISTRIBUTED REDUCTIONS

The committee recommends undistributed reductions as shown in specific tables. These reductions are made without prejudice to any particular programs, but are not to apply to any programs for which the committee has made recommendations for programmatic or funding increases.

ARMY MODERNIZATION

Five years ago the Armed Services Committee conducted a careful review of U.S. defense capabilities and concluded "the greatest deficiencies [vis-a-vis the Soviet military] in both number and capabilities are found in our ground forces. Nowhere is the need for modernization greater than in our ground forces." Despite five years of significant investment in conventional forces, the committee finds these conclusions just as true today.

As such, the committee objects to plans to terminate most major Army combat systems during the coming five years. The committee finds that an unacceptably small percentage of the Army's requirements will have been satisfied, and that follow-on systems will not be fielded without serious gaps in production of primary combat systems. (See the discussion in the Findings section.)

The committee chose to increase funding from the requested level for four of the five primary combat systems, including the AH-64 attack helicopter, the UH-60 utility helicopter, the M1 tank and the Multiple Launch Rocket System, as shown in the various Army procurement tables. The committee directs the Department of Defense to insure that production of these systems are continued in Fiscal Year 1989 and beyond. The committee believes that the department should program sufficient resources to achieve by the end of the fiscal year 1989 Five Year Defense Plan (funded delivery period) 85% of the AH-64 requirement, 75% of the UH-60 requirement, 80% of the M-1 tank requirement, 75% of the M2 fighting vehicle requirement, and 55% of the MLRS requirement.

The committee notes that the Army cannot attain these levels with the funds provided in the fiscal year 1988 Five Year Defense Plan and expects the Department of Defense to recognize these requirements in determining resource allocations in the future.

AVIATION NIGHT VISION GOGGLES

The committee increased the Army's Aviation Support Equipment request by $36.5 million. These additional funds will accelerate, by two years, procurement of aviation night vision goggles by executing options available on the current omnibus night vision device contract.

T-700 ENGINE COMPETITION

In the fiscal year 1987 Appropriations Act, Congress expressed support for a joint Army/Navy program to procure T-700 class helicopter engines competitively. The committee supports the services' commitment to full and fair competition. The committee directs that the acquisition program be structured such that not less than 50 percent of the aggregate cost of engines procured over the life of the program subsequent to the first two years be manufactured in the United States. In order to protect defense preparedness, every part in the selected engine must be capable of being manufactured in the United States. In evaluating the competitive options for selecting the engine, the department should consider the total cost of introducing the engine into DOD inventories, not just the initial unit prices of the engines.

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FORWARD AREA AIR DEFENSE SYSTEM HEAVY

The Army requested $59.4 million in fiscal year 1988 and $264.0 million in fiscal year 1989 to initiate procurement of an air defense system for armored forces as a replacement for the cancelled Sgt. York division air defense (DIVAD) system. Under current acquisition plans, the Army intends to select a system for procurement after a limited competition to be held later this year. The winning system will not be required to satisfy the Army's full system requirements, but need only satisfy interim requirements. The selected system will then be subjected to further operational testing.

The current acquisition plan limits the competition to "off the shelf" systems, yet acknowledges that further development will be required to meet full system requirements. The committee notes that the DIVAD system was terminated in the middle of procurement primarily because it failed to meet evolving system requirements.

The committee increased research and development funding by $42.5 million to conduct operational tests, and directs the Army not to procure any system that fails to meet full system requirements. The bill includes a provision (sec. 121(a)) that prohibits the Army from obligating any funds to procure an air defense system that fails to meet full system requirements. Because extensive operational testing of the winning air defense system will be required, the committee provided only $16.9 million in procurement for fiscal year 1988 with the understanding that it will be obligated only after the winning air defense system demonstrates through testing that it meets full system requirements. The committee reserves judgment on fiscal year 1989 funding until the results of the operational test are available.

STINGER MULTIYEAR PROCUREMENT

The fiscal year 1987 Defense Authorization Act contained a provision (sec. 107(e)), prohibiting the Army from entering into a multiyear contract to procure Stinger air defense missiles until the Secretary of the Army had solicited proposals for competitive procurement of Stinger missiles and found the multiyear contract approach to result in lower overall costs. The Army has requested permission to proceed with a three-year multiyear contract for Stinger missiles, and intends to open the program to competition starting in fiscal year 1990.

The committee believes this acquisition approach achieves the advantages sought for both multiyear contracting and competitive procurement and commends the Army for its actions. The provision included in last year's bill encouraging competition now serves to impede it. Therefore, the committee included a provision (sec. 121(b)) which repeals sec. 107(e) in last year's Authorization Act. The committee expects the Army to proceed with full and open competition for Stinger missiles in fiscal year 1990 and beyond.

MULTIPLE LAUNCH ROCKET SYSTEM

The Army requested $22 million to procure surge capacity for production of rockets for the Multiple Launch Rocket System (MLRS) in the event of mobilization. The committee believes that

AIRCRAFT PROCUREMENT, ARMY

(DOLLARS IN THOUSANDS)

				FY1988						FY1989					
LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	GOLDEN KNIGHTS REPLACEMENT AIRCRAFT			2	13,599	0	0	2	13,599	0	0	0	0	0	0
5	RC-12D RECON AIRPLANE			3	45,452	0	0	3	45,452	6	97,294	0	0	6	97,294
6	EH-60A HELICOPTER (QUICKFIX) (MYP)	18	138,654	0	37,406	0	0	0	37,406	5	60,823	0	0	5	60,823
6	LESS: ADVANCE PROCUREMENT (PY)		-28,433	0	-16,700	0	0	0	-16,700	0	-9,600	0	0	0	-9,600
7	ADVANCE PROCUREMENT (CY)		16,300	0	9,600	0	0	0	9,600	0	0	0	0	0	0
8	AH-64 ATTACK HELICOPTER (APACHE)	101	1.066,775	67	692,785	23	225.600	90	918,385	0	77,705	72	774,800	72	852,505
8	LESS: ADVANCE PROCUREMENT (PY)		-62,390	0	-38,200	0	0	0	-38,200	0	0	0	-40,000	0	-40,000
9	ADVANCE PROCUREMENT (CY)		38,201	0	0	0	40,000	0	40,000	0	0	0	42,000	0	42,000
10	UH-60 (BLACKHAWK) (MYP)	82	424,370	61	395,920	11	52,800	72	448,720	72	475,568	0	0	72	475,568
10	LESS: ADVANCE PROCUREMENT (PY)		-222,300	0	-150,900	0	0	0	-150,900	0	-178,300	0	0	0	-178,300
11	ADVANCE PROCUREMENT (CY)		161,300	0	208,400	0	0	0	208,400	0	189,200	0	0	0	189,200
17	CH-47 CARGO HELICOPTER MODS (MYP)		309,303	0	225,517	0	-20.000	0	205.517	0	245,187	0	0	0	245,187
17	LESS: ADVANCE PROCUREMENT (PY)		-110,608	0	-57,200	0	0	0	-57,200	0	-63,600	0	0	0	-63,600
18	ADVANCE PROCUREMENT (CY)		57,252	0	63,600	0	0	0	63,600	0	83.800	0	0	0	83,800
29	SOF AIRCRAFT MODIFICATIONS		0	0	121,792	0	0	0	121,792	0	237,209	0	0	0	237,209
30	SPARES AND REPAIR PARTS		558,599	0	512,122	0	0	0	512.122	0	553.029	0	0	0	553,029
31	AIRCRAFT SURVIVABILITY EQUIP (MYP)		11,333	0	68,692	0	-3,000	0	65,692	0	109,968	0	0	0	109,968
31	LESS: ADVANCE PROCUREMENT (PY)			0	0	0	0	0	0	0	-12,000	0	0	0	-12,000
33	AVIONICS SUPPORT EQUIPMENT		44,855	0	23,563	0	36,500	0	60,063	0	22,230	—	—	—	—
	ALL OTHER ITEMS		351,639	0	318,511	0	0	0	318,511	0	341,026		—	0	—
	TOTAL AIRCRAFT PROCUREMENT, ARMY		2,754,850		2,473,959		331.900		2,805.859		2.229.539		776,800		2.643.083

NOTE: — INDICATES NO AUTHORIZATION FOR FY89

MISSILE PROCUREMENT, ARMY

(DOLLARS IN THOUSANDS)

				FY1988						FY1989					
LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	CHAPARRAL		28,500	122	34,189	0	0	122	34,189	368	58,407	0	0	368	58,407
2	NEW LINE OF SIGHT AIR DEFENSE SYSTEM			0	0	0	0	0	0	0	9,823	0	0	0	9,823
3	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	56,100	0	0	0	56,100
4	AIR DEFENSE SYS HEAVY			245	59,391	-245	-42,500	0	16,891	709	263,988	--	--	--	--
5	CLASSIFIED PROGRAM			0	0	0	0	0	0	0	8,106	0	0	0	8,106
6	OTHER MISSILE SUPPORT		6,200	0	4,505	0	0	0	4,505	0	5,540	0	0	0	5,540
7	PATRIOT(MYP)	700	917,200	715	896,742	0	0	715	896,742	815	844,235	0	0	815	844,235
7	LESS: ADVANCE PROCUREMENT (PY)			0	-45,300	0	0	0	-45,300	0	-40,100	0	0	0	-40,100
8	ADVANCE PROCUREMENT (CY)		45,300	0	40,100	0	0	0	40,100	0	37,400	0	0	0	37,400
9	STINGER(MYP)	4,100	261,400	4,200	175,553	0	0	4,200	175,553	5,000	234,168	0	0	5,000	234,168
9	LESS: ADVANCE PROCUREMENT (PY)			0	-21,400	0	0	0	-21,400	0	-33,900	0	0	0	-33,900
10	ADVANCE PROCUREMENT (CY)		30,000	0	45,500	0	0	0	45,500	0	44,000	0	0	0	44,000
11	STINGER PEDESTAL MOUNT			0	55,833	0	0	0	55,833	0	115,242	0	0	0	115,242
12	LASER HELLFIRE SYSTEM			5,000	168,358	0	0	5,000	168,358	4,000	146,802	0	0	4,000	146,802
13	TOW 2 (MYP)	9,350	106,300	9,416	131,239	0	0	9,416	131,239	6,719	117,034	0	0	6,719	117,034
14	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	0	0	0	0	0
15	PERSHING		30,600	0	6,710	0	0	0	6,710	0	6,591	0	0	0	6,591
16	MULTIPLE LAUNCH ROCKET SYSTEM (MYP)	72,000	523,900	72,000	507,129	0	12,300	72,000	519,429	36,000	473,631	0	0	36,000	473,631
16	LESS: ADVANCE PROCUREMENT (PY)		-67,800	0	-82,700	0	0	0	-82,700	0	-56,600	0	0	0	-56,600
17	ADVANCE PROCUREMENT (CY)			0	22,700	0	0	0	22,700	0	0	0	0	0	0
18	ARMY TACTICAL MISSILE SYSTEM (ATACMS)			0	15,125	0	0	0	15,125	66	78,800	0	0	66	78,800
18	LESS: ADVANCE PROCUREMENT (PY)			0	0	0	0	0	0	0	-1,800	0	0	0	-1,800
19	ADVANCE PROCUREMENT (CY)			0	1,800	0	0	0	1,800	0	4,300	0	0	0	4,300
20	PATRIOT		21,100	0	40,000	0	0	0	40,000	0	40,385	--	--	--	--
21	CHAPARRAL		5,000	0	31,[illegible]	[illegible]	0	0	31,228	0	65,129	--	--	--	--
22	HAWK		40,400	0	35,671	0	0	0	35,671	0	51,912	--	--	--	--
23	TOW		50,900	0	18,021	0	0	0	18,021	0	26,077	--	--	--	--
24	DRAGON			0	7,258	0	0	0	7,258	0	17,481	--	--	--	--
25	LANCE		3,700	0	15,338	0	-15,338	0	0	0	5,159	--	--	--	--
26	PERSHING		0	0	9,293	0	0	0	9,293	0	8,980	0	0	0	8,980
27	MLRS			0	4,506	0	0	0	4,506	0	33,860	--	--	--	--
28	AN/TSQ-73			0	0	0	0	0	0	0	1,289	--	--	--	--
29	SPARES AND REPAIR PARTS		140,400		246,600	0	0		246,600		250,702	0	0		250,702
30	AIR DEFENSE TARGETS		26,300	0	21,363	0	0	0	21,363	0	39,276	--	--	--	--
31	ITEMS LESS THAN $2.0M (MISSILES)		1,500	0	2,140	0	0	0	2,140	0	2,148	--	--	--	--
32	PRODUCTION BASE SUPPORT		15,600	0	11,574	0	0	0	11,574	0	9,035	--	--	--	--
33	OTHER PRODUCTION CHARGES			0	0	0	0	0	0	0	0	--	--	--	--
	TOTAL MISSILE PROCUREMENT, ARMY		2,193,800		2,458,466		-45,538		2,412,928		2,923,200		0		2,367,461

such an investment is not justified at this time. The committee added sufficient funds to procure 44 MLRS launchers instead of the request of 24 in fiscal year 1988.

SQUAD AUTOMATIC WEAPON VS. M-60 MACHINE GUN

The committee is concerned that the Army and the Marine Corps have chosen divergent paths for providing automatic weapon support for light infantry units. The Army proposes to procure the squad automatic weapon to replace the M-60 machine gun, while the Marine Corps is upgrading its existing M-60 machine guns. The committee requests the Secretary of the Army and the Secretary of the Navy to provide a joint report reviewing this issue. The committee is especially concerned over the effect of the two weapons at extended ranges against light tactical vehicles. The report should be delivered to the Congress by December 1, 1987.

120MM MORTARS

The committee reduced the request for 120mm mortars because of delays encountered during testing. The committee continues to support the procurement of 120mm mortars so long as they satisfy Army requirements.

RDX FACILITY

RDX is an explosive material used extensively in modern munitions and in rocket propellants. Holston Army Ammunition Plant in Tennessee is the only U.S. plant currently capable of producing significant amounts of RDX.

The committee bill includes a provision (sec. 121(c)) authorizing the Secretary of the Army to enter into contracts, in advance of appropriations therefor, for the construction of a new RDX manufacturing facility if each such contract limits the amount of payments that the federal government is obligated to make under such contract to the amount of appropriations available, at the time such contract is entered into, for obligation under such contract. The committee bill deletes the $35 million requested in the fiscal year 1988 budget to begin stockpiling RDX and HMX and adds $35 million to a new line, RDX Facility, to begin construction of this new RDX manufacturing facility.

PRODUCTION BASE MODERNIZATION

The committee directs the Army to proceed with the execution of the fiscal year 1986 and fiscal year 1987 production base modernization projects at the Chamberlain Manufacturing Corporation (PEP-422) for which funds were authorized and appropriated by the Congress in fiscal years 1986 and 1987.

USSOC FORCES COMMUNICATIONS

The committee is concerned with the lack of progress in fielding state of the art secure communications in many of our Special Operations Forces (SOF) units. The Congress has supported the increases in force structure in these units and the higher level of priority assigned SOF by the Department of Defense.

Accordingly, the committee recommends the authorization of $15.3 million for procurement of SOF command, control and communications (C3) equipment in fiscal year 1988. These funds are to be made available to the Commander in Chief of the U.S. Special Operations Command (CINCUSSOC) to begin "off the shelf" procurement of communications equipment for SOF units and the Special Operations Commands (SOC's) of each of the unified combatant commands.

The committee directs that the CINCUSSOC utilize to the maximum extent possible the C3 capabilities employed by the Joint Special Operations Command (JSOC) as a model. The committee further directs the Department of Defense to report to the Congress not later than December 1, [illegible] on the costs of procuring the required C3 equipment for USSOC, its subordinate elements, and the SOC's of the unified combatant commands.

10 TON TRUCKS

The committee believes the Army should proceed immediately to new-generation heavy trucks rather than continue to procure older technology 10-ton trucks. Consequently, the committee deleted $131.3 million for 10-ton truck procurement and directs the Army to proceed vigorously with its Mobility-Heavy program to acquire new-generation heavy trucks.

HEAVY EQUIPMENT TRANSPORT

The committee is concerned over uncertainties in the Army's acquisition plans to procure heavy equipment transports. Recent changes in those plans have potentially constrained competition and raise questions over future interoperability with existing transports in Army transportation units. The committee urges the Under Secretary of Defense for Acquisition to review those plans to insure that competition is assured and that fleet interoperability is guaranteed.

WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

(DOLLARS IN THOUSANDS)

				FY1988						FY1989					
LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
3	BRADLEY FIGHTING VEHICLES (MYP)	662	854,259	616	708,700	0	0	616	708,700	618	703,000	0	0	618	703,000
3	LESS: ADVANCE PROCUREMENT (PY)		-27,500	0	-9,300	0	0	0	-9,300	0	-31,800	0	0	0	-31,800
4	ADVANCE PROCUREMENT (CY)		10,314	0	37,100	0	0	0	37,100	0	42,800	0	0	0	42,800
5	BRADLEY FVS TRAINING DEVICES		9,168	0	0	0	0	0	0	0	0	0	0	0	0
6	BRADLEY FVS TRAINING DEVICES (MOD)			0	5,900	0	0	0	5,900	0	3,800	0	0	0	3,800
10	ABRAMS TANK SERIES ROLL (MYP)	800	1,842,455	600	1,537.500	120	272,000	720	1,809,500	534	1,443,800	186	428,200	720	1,872,000
10	LESS: ADVANCE PROCUREMENT (PY)		-276,100	0	-182,800	0	0	0	-182,800	0	-228,600	0	0	0	-228,600
11	ADVANCE PROCUREMENT (CY)		232,986	0	156,000	0	5,000	0	161.000	0	146.100	0	50,850	0	196,950
25	SPARES AND REPAIR PARTS		424,624	0	398,400	0	0	0	398,400	0	500,600	0	0	0	500,600
26	ITEMS LESS THAN $2.0M (TCV-WTCV)		1,930	0	1,900	0	0	0	1,900	0	1,700	0	0	0	1,700
27	PRODUCTION BASE SUPPORT (TCV-WTCV)		53,780	0	28,731	0	0	0	28,731	0	36,829	0	0	0	36,829
28	REGIONAL MAINTENANCE TRAINING SITES-EQUIP			0	17,100	0	0	0	17.100	0	16,200	0	0	0	16,200
38	MORTAR 120 MM	145	12,739	332	20,900	-249	-15,700	83	5,200	350	23,800	--	--	--	--
42	VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP)	947	36,666	947	35,900	0	-3,400	947	32.500	948	35,600	--	--	--	--
49	SPARES AND REPAIR PARTS		16,985	0	12,000	0	0	0	12,000	0	18,700	0	0	0	18,700
50	ITEMS LESS THAN $2.0M (WOCV-WTCV)		3,184	0	3,300	0	0	0	3,300	0	2,200	0	0	0	2,200
51	PRODUCTION BASE SUPPORT (WOCV-WTCV)		35,708	0	16,706	0	0	0	16,706	0	9,833	0	0	0	9,833
	ALL OTHER ITEMS		498,702		364,500		0		364,500		503,200		--		--
	TOTAL WEAPONS AND TRACKED COMBAT VEHICLES		3,729,900		3,152,537		257,900		3,410,437		3,227,762		479.050		3,144,212

NOTE -- INDICATES NO AUTHORIZATION FOR FY89

PROCUREMENT OF AMMUNITION, ARMY

(DOLLARS IN THOUSANDS)

LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	FY1988						FY1989					
				REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
50	CTG,120MM,HE W/PD FUZE			14	4,435	-14	-4,435	0	0	22	6,625	0	0	22	6,625
51	CTG,120MM: ILLUM. XM930	7	3.528	39	19,023	-32	-15,500	7	3,523	25	11,073	0	0	25	11,073
52	CTG,120MM: SMOKE, XM929	14	7,250	20	9,856	-5	-2,600	15	7,256	29	13,545	0	0	29	13,545
53	CTG, 120MM TMG 1/10			16	2.070	-16	-2.070	0	0	9	1,286	0	0	9	1,286
84	FUZE, PROXIMITY, M732			194	24,246	-136	-24,246	58	0	51	6,328	0	0	51	6,328
93	CANISTER MINE PRACTICE XM88 (VOLCANO)	4	1,850	5	1,577	0	0	5	1,577	28	7,712	0	-5,000	28	2,712
97	MINE AT XM84			0	0	0	0	0	0	3	6,723	-3	-6,723	0	0
100	DEMOLITION MUNITIONS & OTHER		17,200	0	28,485	0	-300	0	28,185	0	23,332	0	0	0	23,332
102	CTG, 105MM HERA XM913			15	7,885	-15	-7,885	0	0	24	11,469	-9	-3,300	15	8,169
103	LIGHTWEIGHT MULTI-PURPOSE WEAPON	136	68,100	87	66.136	-8	-6,000	79	60,136	114	75,551	-18	-13,000	96	62,551
123	WAR RESERVE STOCKPILING(EXPL/PROPELLANTS)			0	35,000	0	-35,000	0	0	0	35,000	0	0	0	35,000
	RDX FACILITY		0	0	0	0	35,000	0	35,000	0	0	0	0	0	0
	ALL OTHER ITEMS		9,789,776		1,995,562		0		1,995,562		1,996,111		0		1,996,111
	TOTAL AMMUNITION, ARMY		13,771,814		2,194,275		-63,036		2,131,239		2,194,755		-28,023		2,166,732

OTHER PROCUREMENT, ARMY

(DOLLARS IN THOUSANDS)

LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	FY1988 REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	FY1989 REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
15	TRUCK, 10T, 8X8, ABT (MYP)	1,413	220,200	888	131,297	-888	-131,297	0	0		0	0	0		0
124	INTELLIGENCE DATA HANDLING SYSTEM		6,700		25,000	0	-10,500		14,500		( )	0	0		( )
217	RIBBON BRIDGE ERECTION BOAT	142	19,200		588	144	18,300		18,888		0	0	0		0
233	M-9 ARMORED COMBAT EARTHMOVER (ACE)	21	20,300	127	65,954	0	-11,300	127	54,654	132	61,982	0	0	132	61,982
298	65 TON CRANE	86	30,000	118	34,649	0	-9,200	118	25,449	30	10,976	0	0	30	10,976
	USSOC FORCES COMMUNICATIONS		0		0	0	15,300		15,300		0	--	--	--	--
	UNDISTRIBUTED REDUCTION		0		0	0	-220,000		-220,000		0	--	--	--	--
	ALL OTHER ITEMS		4,762,533		5,613,372		0		5,613,372		5,957,316		0		5,957,316
	TOTAL OTHER PROCUREMENT, ARMY		5,058,933		5,870,860		-348,697		5,522,163		6,030,274		0		6,030,274

AIRCRAFT PROCUREMENT, NAVY

(DOLLARS IN THOUSANDS)

LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	FY1988 REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	FY1989 REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	A-6E/F (ATTACK) INTRUDER (MYP)	11	329,514	12	781,495	-12	-781,495	0	0	18	812,583	-18	-812,583	0	0
1	LESS: ADVANCE PROCUREMENT (PY)		-79,269	0	-79,251	0	79,251	0	0	0	-109,917	0	109,917	0	0
2	ADVANCE PROCUREMENT (CY)		79,251	0	109,917	0	-109,917	0	0	0	137,027	0	-137,027	0	0
3	EA-6B (ELECTRONIC WARFARE) PROWLER	12	430,902	6	357,618	6	146,700	12	504,318	9	486,659	--	--	--	--
5	AV-8B (V/STOL) HARRIER	42	655,570	32	639,579	0	27,500	32	667,079	32	719,980	--	--	--	--
9	F/A-18 (FIGHTER) HORNET (MYP)	84	2,353,514	84	2,457,554	0	0	84	2,457,554	72	2,290,494	0	0	72	2,290,494
9	LESS: ADVANCE PROCUREMENT (PY)		-188,706	0	-140,944	0	0	0	-140,944	0	-155,982	0	0	0	-155,982
10	ADVANCE PROCUREMENT (CY)		140,944	0	155,982	0	0	0	155,982	0	136,553	0	0	0	136,553
12	ADVANCE PROCUREMENT (CY)		40,400	0	21,799	0	0	0	21,799	0	9,642	0	0	0	9,642
16	SH-60B (ASW HELO) SEAHAWK	17	241,167	6	119,414	3	46,100	9	165,514	6	118,288	--	--	--	--
18	SH-60F (CV ASW HELO)	7	146,172	18	306,072	0	0	18	306,072	18	342,234	0	0	18	342,234
18	LESS: ADVANCE PROCUREMENT (PY)		-28,402	0	-26,339	0	0	0	-26,339	0	-29,646	0	0	0	-29,646
19	ADVANCE PROCUREMENT (CY)		26,339	0	29,646	0	0	0	29,646	0	30,611	0	0	0	30,611
22	EX COMPETITION			8	179,815	-8	-179,815	0	0	8	234,528	-8	-234,528	0	0
29	C-2 (MYP)	9	176,686	0	5,776	0	0	0	5,776	0	7,781	0	0	0	7,781
33	T-45TS GOSHAWK			12	383,974	0	0	12	383,974	24	392,341	0	0	24	392,341
33	LESS: ADVANCE PROCUREMENT (PY)			0	-55,216	0	0	0	-55,216	0	-29,452	0	0	0	-29,452
34	ADVANCE PROCUREMENT (CY)		55,216	0	29,452	0	0	0	29,452	0	40,577	0	0	0	40,577
35	E-6A	3	275,157	3	260,584	0	0	3	260,584	7	470,200	0	0	7	470,200
35	LESS: ADVANCE PROCUREMENT (PY)		-53,193	0	-71,382	0	0	0	-71,382	0	-137,716	0	0	0	-137,716
41	A-6 SERIES (MYP)		373,200	0	132,978	0	86,500	0	219,478	0	108,232	0	82,200	0	190,432
52	H-46 SERIES		47,993	0	29,801	0	18,100	0	47,901	0	21,360	--	--	--	--
53	H-53 SERIES		22,176	0	22,737	0	25,000	0	47,737	0	19,769	--	--	--	--
56	H-1 SERIES		44,915	0	6,826	0	40,500	0	47,326	0	35,297	--	--	--	--
60	P-3 SERIES		37,568	0	127,365	0	45,000	0	172,365	0	99,112	--	--	--	--
61	S-3 SERIES		190,099	0	74,772	0	67,900	0	142,672	0	73,857	0	73,800	0	147,657
62	E-2 SERIES		40,508	0	22,439	0	16,000	0	38,439	0	6,638	0	16,000	0	22,638
64	EC-130 SERIES		12,891	0	7,367	0	0	0	7,367	0	13,459	0	0	0	13,459
74	SPARES AND REPAIR PARTS		1,632,215	0	1,511,913	0	0	0	1,511,913	0	1,270,957	0	0	0	1,270,957
	ES-3 SERIES			0	0	0	115,200	0	115,200	0	0	0	145,500	0	145,500
	F-16N SERIES			0	0	0	5,000	0	5,000	0	0	0	0	0	0
	LONG RANGE AIR ASW CAPABLE AIRCRAFT			0	0	0	34,100	0	34,100	0	0	--	--	--	--
	UNDISTRIBUTED REDUCTION			0	0	0	-43,900	0	-43,900	0	0	--	--	--	--
	ALL OTHER ITEMS		2,964,635		2,523,140		0		2,523,140		2,830,864		--		--
	TOTAL AIRCRAFT PROCUREMENT, NAVY		9,977,262		9,924,883		-362,276		9,562,607		10,250,270		-756,721		5,160,280

NOTE -- INDICATES NO AUTHORIZATION FOR FY89

A-6 AND THE ADVANCED TACTICAL AIRCRAFT

The Navy requested $812.1 million in fiscal year 1988 and 839.7 million in fiscal year 1989 to procure the A-6F. The A-6 is the Navy's most capable medium attack bomber, capable of day and night operations in adverse weather. The A-6 is an older design aircraft, though it has been modified and improved over the years. The A-6F will feature entirely new engines and new electronics.

The committee is concerned that even after the F model is developed that the A-6 would still be a very vulnerable aircraft because of its subsonic speed and very large radar image, which makes it vulnerable to antiaircraft missiles and gun fire. The new engines and new electronics would not appreciably reduce that vulnerability. The Navy's own analysis shows the A-6 vulnerability to be unacceptably high.

The committee is also concerned that new construction A-6Fs are receiving disproportionate emphasis in Navy planning. The Navy is proposing to buy 150 A-6Fs, which together with the development costs will reach $6.5 billion. Because of the budget constraints, the Navy has no plans to upgrade the more than 340 early model A-6s. By 1995, only one-third of the A-6 fleet will be "modern" while two-thirds will be obsolete.

At the same time the Navy is developing a new-generation replacement for the A-6, called the Advanced Tactical Aircraft (ATA). The ATA will have much greater survivability because it will be substantially less detectable by sensors.

The committee believes that it is not possible to proceed with both programs with today's budget realities. If the Navy's Aviation Procurement Account receives no real growth during the next five years, some $4.3 billion or 12% will have to be removed from the current five year plan. The committee believes such an outcome would be devastating, but not entirely unrealistic in light of the current budget environment.

The committee directs the Navy to terminate further development and procurement of the A-6F aircraft and to develop a program to upgrade the A-6Es in the fleet. While the ATA is an expensive program, the committee believes the vulnerability of the A-6 justifies expeditious development of the ATA.

AV-8B HARRIER AIRCRAFT

The administration requested $564.2 million in fiscal year 1988 for procurement of 32 AV-8B Harrier aircraft and $64.0 million in advance procurement for 32 AV-8B's in fiscal year 1989.

The committee recommends authorization of $591.7 million for procurement of 32 AV-8B's and $64.0 million in advance procurement funding. The proposed increase of $27.5 million is to procure night attack systems and trainers.

CH/MH-53E HELICOPTERS

The administration requested $210.7 million in fiscal year 1988 to continue procurement of 14 CH/MH-53E helicopters under a multiyear contract and $21.8 million in advance procurement for 14 CH/MH-53E's in fiscal year 1989. During the past year, the committee has learned of serious deliberations within the Navy over the safety of the H-53E helicopter. The Navy's chief safety office recommended "a top down review of the structural dynamics of the H-53E helicopter," noting that "band-aid" fixes have failed to resolve the structural safety issue.

The Navy and the contractor have established a 15-month test program to resolve lingering questions over the structural dynamics of the helicopter. If the test program reveals that changes to the helicopter must be made, the contractor has agreed to assume financial liability to retrofit those changes into existing H-53E helicopters and to install those changes in future helicopters scheduled for procurement under the multiyear contract.

Were the H-53E helicopter not under multiyear contract, the committee would recommend suspension of procurement until the scope of the problem is thoroughly identified. There is no provision in the multiyear contract for suspending work during the period of the test without terminating the contract. Such a course of action would entail substantial penalties.

The committee reluctantly accedes to continued procurement of the H-53E helicopter, but expects the Secretary of the Navy to keep the committee fully apprised of the ongoing findings of the tests. Further, the committee directs that not more than 30 percent of the funds provided for H-53E helicopter procurement in fiscal year 1988 be obligated until the Secretary of the Navy has provided the Committees on Armed Services and Appropriations of the Senate and the House of Representatives the preliminary findings of the structural dynamic tests.

The committee recommends authorization of $210.7 million for procurement of 14 CH/MH-53E helicopters in fiscal year 1988 and $21.8 million in advance procurement funding.

The administration requested $193.8 million in fiscal year 1989 for procurement of 14 CH/MH-53E helicopters and $9.6 million in advance procurement. Because of the safety problems of the H-53E helicopter, the committee does not recommend authorization at this time for procurement of CH/MH-53E helicopters in fiscal year 1989. The committee recommends, however, authorization of $9.6 million in fiscal year 1989 for advance procurement funding.

SH-60B SEAHAWK LAMPS MK III HELICOPTERS

The administration requested $98.7 million in fiscal year 1988 for procurement of six SH-60B Lamps Mk III ASW helicopters and $26.3 million in advance procurement for six SH-60B's in fiscal year 1989.

The committee recommends authorization of $165.5 million for nine SH-60B Lamps Mk III ASW helicopters, which reflects an increase of $46.1 million and three helicopters to the administration's request, and $26.3 million in advance procurement funding. These actions are recommended in order to implement the committee's increased emphasis on enhancing antisubmarine warfare capabilities and also are based on more favorable economic production rates and pricing information which has recently become available. The effect of this action will be to provide greater shipboard ASW air capability to the fleet earlier than had been previously planned.

EX COMPETITION

The Navy requested $179.8 million in fiscal year 1988 and $234.5 million in fiscal year 1989 to initiate competitive procurement of a new electronics support aircraft to replace the aging EA-3B aircraft. Subsequent to submission of the budget, the Navy examined alternative approaches to expediting the replacement of the EA-3B, and has determined that the most cost-effective approach involves modifying 16 existing S-3 aircraft with a mission support package adapted from the recent EP-3 upgrade program.

The committee strongly supports the timely replacement of the EA-3B and the Navy's plan to use existing S-3 aircraft. The committee established a new ES-3 line in the aircraft modification budget activity, and provided $115.2 million in fiscal year 1988 and $145.5 million in fiscal year 1989. Since the ES-3 will remain in service for many years, the committee directs the Navy to insure that the S-3 aircraft provided for this modification have service life not exceeding 12 years at time of conversion.

The committee notes that this approach to replacing the EA-3Bs increases the shortfall of S-3 aircraft in the fleet and recognizes the need to satisfy that shortfall in capability. The Navy is considering two alternatives to meeting that shortfall. The first would involve reopening of an S-3 production line based on competitive proposals to build the U.S. Government-owned S-3 technical data package. The second approach would modify the new V-22 to fit it with antisubmarine warfare equipment.

The committee understands that the Navy is studying both alternatives in the context of a long-term antisubmarine warfare strategy. The committee will support a long-term solution only after reviewing the results of the Navy's study, which should be made available to the Congress not later than February 1, 1988.

MODIFICATION OF NAVY AIRCRAFT

The Navy's budget as submitted seriously underfunded modification of in-service aircraft. For years the department has testified that modification of in-service aircraft constitutes one of the most cost-effective means of retaining the combat potential of those aircraft in the face of advancing threat requirements. The committee cautions the Navy to insure that critical modification programs are adequately funded in future budgets. The committee adopted the following adjustments to the budget as submitted:

—A-6 Series. Additional funds were provided to insure that the rewinging program will proceed at the maximum level provided in the negotiated contract.

—H-46 Series. Additional funds were provided to accelerate the block upgrade program.

—H-53 Series. Provides additional funds to accompany structural dynamics testing for H-53s.

—H-1 Series. Additional funds were provided to accelerate the AH-1T to AH-1W modification program.

—P-3 Series. The committee increased funding to accelerate procurement and installation of Update III kits and to retrofit aircraft at a more efficient rate.

—E-2 Series. Serious wing cracking have restricted operations for nearly a fourth of the E-2 fleet. The solution requires the manufacture of a new center wing section. The funds provided initiate that replacement and provide for 16 aircraft in fiscal year 1988. The Navy is expected to continue modifications at that rate until the fleet is modified.

—S-3 Series. Because of funding constraints, the Navy postponed by five years the Weapon System Improvement Program (WSIP) for the S-3. The WSIP program would update the S-3 to keep the aircraft current with the requirements posed by new-generation quieter submarines. Savings from the change in the EX Competition program permit acceleration of the WSIP program. The Navy is directed to provide sufficient funds to conclude the WSIP program within the fiscal year 1989 Five Year Defense Plan.

—F-16N Series. The F-16N was procured by the Navy for use as adversary aircraft so that Navy pilots can train against aircraft capable of simulating Soviet aircraft. The F-16 program was initiated on austere terms and as such lacks important selected equipment that would substantially improve its use as an adversary aircraft. The committee established the F-16N line in the modification account, and recommends $5 million. The committee believes first priority should be given to providing video recording equipment which will substantially improve its effectiveness as a training asset.

LONG RANGE AIR ASW CAPABLE AIRCRAFT

The committee has long been concerned about the procurement costs of maritime patrol aircraft, which may be attributable to both the lack of competition in the current program and an inefficient production rate.

The committee recommends authorization of $13.8 million in fiscal year 1988 for RDT&E of the Long Range Air ASW Capable Aircraft project (included in program element 64221N). This authorization should not impinge in any way on the procurement and retrofit of 25 P-3C Update III modification kits.

The committee recommends authorization of $34.1 million in fiscal year 1988 for long lead items for the first pilot production aircraft which will be the result of a competition to be conducted for either a new commercial design or a modified P-3C derivative design which meets the Navy's requirements.

The Navy is directed to report to the Congress the results of the competition not later than 30 days after the completion of design selection for a new or modified maritime patrol aircraft. Upon completion of this report, the Navy is directed to deliver to the Congress an updated long range air antisubmarine warfare master plan which should include plans for dealing with anticipated maritime patrol aircraft shortfalls as well as a plan for maintaining modern, threat capable aircraft for the reserves.

LAND-BASED TANKERS

The committee remains concerned over the Navy's continuing attempts to buy and modify existing commercial aircraft for use as land-based tankers. If the Navy proceeds with its original plans, it would have a fleet of 8 jet tankers while the Air Force has a fleet of nearly 700. Two years ago the Air Force offered a memorandum of agreement to the Navy to expand upon the existing arrangement whereby the Air Force provides tanker support to the Navy. The Navy has refused to enter into an expanded agreement, and has instead pressed for its own small fleet of tankers.

The committee believes this is a prime example of the lack of cooperation among the Services and believes the Secretary of Defense should insure cooperation on matters such as these. The committee included a provision in the bill (sec.122(b)) which prohibits the Navy from entering into any contract to construct or modify commercial aircraft for purposes of acquiring land based tankers, unless the Secretary of Defense certifies to the Congress that the Department of the Air Force and the Department of the Navy will not enter into a memorandum of agreement by which the Air Force will provide tanker support to help satisfy Navy requirements for land-based tankers.

TRIDENT II PROGRAM

The committee included a provision on milestone authorization of Trident II missile and related support equipment (sec. 131) that precludes the Secretary of the Navy from applying any undistributed reductions to the procurement of Trident II missiles. The request, including the amounts for advance procurement, is approved, and may not be used for any other purpose.

TOMAHAWK SEA-LAUNCHED CRUISE MISSILE

The administration requested $915.9 million in the fiscal year 1988 request to procure 475 Tomahawk sea-launched cruise missiles. The committee continues its strong support of this program, including its support for the very successful dual-sourcing arrangement. Due to budgetary constraints, however, the committee recommends a reduction of $80 million from the amount requested and encourages the Navy to take steps to maximize the number of missiles, up to 475, that can be procured within the authorized funding level. In any event, it is the firm conviction of the committee that production of the Tomahawk not drop below 400 per year, which would jeopardize continued dual-sourcing.

AIM-7 MISSILE

The committee added $99.8 million to procure 600 AIM-7 missiles for the Navy in fiscal year 1988. This addition will reduce the shortfall in air-to-air missiles until the AMRAAM missile is delivered to the fleet, and will continue competition in the AIM-7 program through fiscal year 1988.

LASER MAVERICK

The administration requested $111.8 million in fiscal year 1988 for procurement of 1,099 Laser Maverick missiles.

Since the authorization request was submitted, the committee has been informed that the Laser Maverick procurement program cannot be fully executed due to testing delays.

The committee, therefore, recommends authorization of $9.3 million for procurement of 99 Laser Maverick missiles. This proposed funding is a reduction of 1,000 missiles and $102.5 million from the request.

STANDARD MISSILE

The administration requested $583.1 million in fiscal year 1988 for the procurement of 1150 SM-2/Standard surface-to-air missiles. Given the stated inventory objective of these missiles and that a more economic production rate of at least 1500 missiles per year will produce cost savings in the long term, the committee recommends authorization of $715.1 million, an increase of $132.0 million to the request, for the procurement of a minimum of 1500 SM-2/Standard missiles. The committee further encourages the Navy to pursue the maximum economic production rate at which missiles can be procured with the funding level of $715.1 million; the Navy is strongly encouraged to buy as many of the missiles as is practicable within that funding level.

NAVY WEAPONS INDUSTRIAL FACILITIES

The committee recommends that $3 million be provided to continue the modernization of the Allegheny Ballistics Laboratory, a government-owned, contractor operated facility in West Virginia which currently produces propulsion units for Navy missiles.

ADVANCED LIGHTWEIGHT TORPEDO

The administration requested $222.4 million in fiscal year 1988 for procurement of 153 Advanced Lightweight Torpedoes.

The transition of the Advanced Lightweight Torpedo from RDT&E to production has been delayed by development problems. The committee, therefore, recommends authorization of $108.4 million for procurement of Advanced Lightweight Torpedoes, a reduction of $114.0 million from the request.

In a related action, the committee recommends authorization of $154.2 million for RDT&E of the Advanced Lightweight Torpedo. This reflects an increase of $69.0 million from the administration's request.

The committee believes that the Advanced Lightweight Torpedo program is extremely important for modernizing the capabilities of the Navy to meet the submarine threat of the future. However, this is the second consecutive year that this program has been restructured to reflect continuing difficulties. The committee expresses strong interest in this program and will not in the future favorably entertain additional funding increases over and above the most recent Navy funding profile as presented.

VERTICALLY LAUNCHED ANTISUBMARINE ROCKET

The administration requested $57.5 million in fiscal year 1988 for procurement of 260 Vertically Launched Antisubmarine Rockets (ASROC).

The transition of the Vertically Launched ASROC program from RDT&E to production has been slowed by development problems. The committee, therefore, recommends a reduction of $57.0 million for procurement of the Vertically Launched ASROC in fiscal year 1988. This reduction results in a recommended authorization of only $521 thousand for this program.

In a related action, the committee recommends authorization of $45.0 million in fiscal year 1988 for RDT&E of the Vertically Launched ASROC, an increase of $26.5 million to the request. Information available to the committee indicates that the Navy is restructuring this program in order to mitigate technical difficulties encountered with the program's development.

PRIOR YEAR SAVINGS

The committee identified $78.0 million in prior year savings in the weapons procurement, Navy (WPN) account which may be used to fund WPN programs in fiscal year 1988. These savings were $32.1 million in fiscal year 1987 from the Vertically Launched Antisubmarine Rocket program and $45.9 million in fiscal year 1987 from the Advanced Lightweight Torpedo program. The committee recommends that these savings be used as an offset in the WPN account in fiscal year 1988.

WEAPONS PROCUREMENT, NAVY

(DOLLARS IN THOUSANDS)

LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	FY1988 REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	FY1989 REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	POSEIDON		3,843	0	181	0	0	0	181	0	187	0	0	0	187
2	TRIDENT I		4,584	0	6,986	0	0	0	6,986	0	7,564	0	0	0	7,564
3	TRIDENT II	21	1,316,217	66	2,197,729	0	0	66	2,197,729	66	2,286,845	0	0	66	2,286,845
3	LESS: ADVANCE PROCUREMENT (PY)		-235,713	0	-266,385	0	0	0	-266,385	0	-319,987	0	0	0	-319,987
4	ADVANCE PROCUREMENT (CY)		266,385	0	319,987	0	0	0	319,987	0	260,240	0	0	0	260,240
6	MISSILE INDUSTRIAL FACILITIES		3,665	0	194	0	0	0	194	0	2.624	0	0	0	2,624
8	BGM-109 TOMAHAWK	324	703,014	475	982,474	0	-80,000	475	902,474	510	1,019,084	--	--	--	--
10	AIM/RIM-7 F/M SPARROW	1,716	267,705	0	0	600	99,800	600	99,800	0	0	0	0	0	0
13	AIM-54A/C (PHOENIX)	205	278,457	430	417,996	0	-39,600	430	378,396	560	464,969	--	--	--	--
17	AGM-88A HARM (MYP)	1,078	248,242	766	194,728	0	0	766	194,728	1,766	404,926	0	0	1,766	404,926
19	SM-2 MR	844	478,611	1,150	583,098	350	132,000	1,500	715,098	1,635	816,422	--	--	--	--
25	LASER MAVERICK	1,800	160,243	1,099	111,807	-1,000	-102,500	99	9,307	0	0	--	--	--	--
26	IIR MAVERICK (MYP)	419	34,043	601	103,458	0	0	601	103,458	731	106,158	0	0	731	106,158
27	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	24,814	0	0	0	24,814
33	TOMAHAWK MODS		6,997	0	6,458	0	0	0	6,458	0	7,179	0	0	0	7,179
39	WEAPONS INDUSTRIAL FACILITIES		12,249	0	6,216	0	3,000	0	9,216	0	10,694	--	--	--	--
40	FLEET SATELLITE COMMUNICATIONS		60,095	0	213,858	0	0	0	213,858	0	98,719	0	0	0	98,719
42	DEFENSE METEOROLOGICAL SATELLITE PROGRAM			0	19,333	0	0	0	19,333	0	21,463	0	0	0	21,463
47	ADV LIGHTWEIGHT TORPEDO	39	65,897	153	222,402	0	-114,000	153	108,402	224	2/7,551	--	--	--	--
52	VERTICAL LAUNCHED ASROC	200	71,846	260	57,521	-260	-57.000	0	521	340	70,461	--	--	--	--
71	SPARES AND REPAIR PARTS		145,777	0	129,728	0	0	0	129,728	0	143,727	0	0	0	143,727
	PRIOR YEAR TRANSFER		0	0	0	0	-78,000	0	-78,000	0	0	--	--	--	--
	UNDISTRIBUTED REDUCTION		0	0	0	0	-46,500	0	-46,500	0	0	--	--	--	--
	ALL OTHER ITEMS		1,373,610		1,194,563		0		1,194,563		2,149,291		--	--	--
	TOTAL WEAPONS PROCUREMENT, NAVY		5,265,847		6,502,332		-282,800		6,219,532		7,852,931		0		3,044,459

NOTE — INDICATES NO AUTHORIZATION FOR FY89

SHIPBUILDING AND CONVERSION, NAVY

(DOLLARS IN THOUSANDS)

LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	FY1988						FY1989					
				REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	TRIDENT (NUCLEAR)	1	1,460,700	1	1,344,053	0	-40,000	1	1,304,053	1	1,400,600	0	0	1	1,400,600
1	LESS: ADVANCE PROCUREMENT (PY)		-175,000	0	-150,353	0	0	0	-150,353	0	-146,400	0	0	0	-146,400
2	ADVANCE PROCUREMENT (CY)		146,400	0	137,100	0	0	0	137,100	0	144,100	0	0	0	144,100
3	CVN AIRCRAFT CARRIER ADVANCE PROCUREMENT			0	644,000	0	0	0	644,000	0	797,000	0	0	0	797,000
11	CG-47 AEGIS CRUISER (MYP)	3	2,756,157	2	1,944,000	3	2,200,500	5	4,144,500	2	1,771,395	--	--	--	--
13	DDG-51 (MYP)	2	1,720,974	3	2,200,500	-3	-2,200,500	0	0	3	2,199,500	--	--	--	--
16	LHD-1 AMPHIBIOUS ASSAULT SHIP		39,100	1	775,700	0	-55,400	1	720,300	1	773,300	0	0	1	773,300
16	LESS: ADVANCE PROCUREMENT (PY)		-39,100	0	-35,000	0	0	0	-35,000	0	-32,200	0	0	0	-32,200
18	LSD-41 (CARGO VARIANT)			1	324,200	-1	-324,200	0	0	0	0	--	--	--	--
19	MCM MINE COUNTERMEASURES SHIP			3	297,300	-3	-297,300	0	0	0	0	--	--	--	--
21	TAO FLEET OILER	2	257,000	2	279,100	-1	-129,100	1	150,000	2	256,400	--	--	--	--
23	TAGOS SURTASS SHIPS	4	192,641	0	0	2	110,800	2	110,800	3	169,200	--	--	--	--
34	SEALIFT ENHANCEMENT			0	17,800	0	-17,800	0	0	0	21,500	--	--	--	--
	FAST SEALIFT INITIATIVE			0	0	0	10,000	0	10,000	0	0	--	--	--	--
	UNDISTRIBUTED REDUCTION			0	0	0	-240,900	0	-240,900	0	0	--	--	--	--
	ALL OTHER ITEMS		3,852,115		3,286,955		0		3,286,755		4,504,043	--	--	--	--
	TOTAL SHIPBUILDING AND CONVERSION, NAVY		10,210,989		11,065,355		-983,900		10,081,455		11,858,438		0		2,936,400

NOTE -- INDICATES NO AUTHORIZATION FOR FY89

TRIDENT SSBN

The administration requested $1,193.7 million in the fiscal year 1988 request to procure one Trident submarine.

Over the past several years, the committee has received numerous requests for reprogramming that have reported prior-year savings in the Trident shipbuilding account. In view of the budget constraints in fiscal year 1988, the committee recommends a reduction of $40 million in the Trident submarine request in anticipation of continued prior-year savings in this program. If these savings do not materialize, the committee would invite an appropriate reprogramming action.

"NIMITZ" CLASS AIRCRAFT CARRIER

The committee recommends authorization of the fiscal year 1988 request for $644 million for advance procurement of nuclear components for the first of two *Nimitz*-class nuclear-powered aircraft carriers. The committee also recommends authorization of the fiscal year 1989 request for $797 million for advance procurement for long-lead government-furnished materials, contractor-furnished material and prefabrication for both replacement aircraft carriers.

During hearings this year, the aircraft carrier program was strongly supported as a high priority initiative by the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, Unified Commanders, two Secretaries of the Navy, and the Chief of Naval Operations.

The committee believes that maintenance of 15 deployable carriers, a cornerstone of the 600-ship Navy, requires that the Navy begin constructing replacements now for existing carriers that will be over 50 years old at the time of their retirement. Failure to replace these older ships will make deploying larger numbers of modern aircraft much more difficult and result in higher operating and support costs for the ships themselves.

The new carriers will also include operational advantages over those older ships they replace. With their larger flight decks, the new ships will be able to support first-line fighter aircraft, such as the F-14 Tomcat, which one of the older carriers cannot. The replacement aircraft carriers will also be able to operate safely in more severe weather conditions.

A two-carrier acquisition strategy has the demonstrated ability to provide these ships at significant savings over single-ship purchases. The Navy has saved several hundreds of millions of dollars on the two-ship purchase of the *George Washington* (CVN-72) and *Abraham Lincoln* (CVN-73). Even the most conservative estimates indicate the Navy's acquisition plan will again save significant amounts. Maintenance of the industrial base, lower exposure to inflation, and economic order quantity purchase of equipment are some of the reasons for these savings.

Based on demonstrated military requirements for aircraft carriers, and the economic efficiency of buying two ships starting this year, the committee recommends proceeding with the Navy's plan.

CG-47 CLASS GUIDED MISSILE CRUISER AND DDG-51 CLASS GUIDED MISSILE DESTROYER

The administration requested $1,926.5 million in fiscal year 1988 for construction of two CG-47 class AEGIS guided missile cruisers and $11.0 million in advance procurement for two CG-47 cruisers in fiscal year 1989. The administration also requested $2,122.3 million in fiscal year 1988 for the construction of three DDG-51 class AEGIS guided missile destroyers and $74.6 million in advance procurement for three DDG-51 destroyers in fiscal year 1989.

Recognizing that competitive pressures have resulted in lower unit prices, the committee recommends completion of the construction program for CG-47 cruisers in fiscal year 1988. The committee recommends authorization of $4,144.5 million for the construction of five CG-47 cruisers. This is an increase of three cruisers and $2,218 million to the administration's request.

Concomitantly, the committee recommends authorization of only long lead funds for DDG-51 class destroyers, a net reduction of three such ships and $2,122.3 million from the administration's request.

The committee believes that these recommendations take advantage of favorable pricing of the cruisers and maintains a high rate of AEGIS ship deliveries to the fleet while allowing the Navy and the shipbuilders to solve any remaining technical and design difficulties which may have been encountered with the DDG-51.

LSD-41 CLASS LANDING SHIP DOCK (CARGO VARIANT)

The committee is cognizant of the need to increase amphibious shipping capabilities in order to more effectively deploy a greater percentage of the Fleet Marine Forces. The committee has been informed that, subsequent to the submission of the defense authorization request, the Department of the Navy has begun to consider a design change to the LSD-41 Cargo Variant which involves lengthening the hull to accommodate additional cargo. The Department of the Navy is, therefore, not prepared to execute the LSD-41 program in fiscal year 1988.

The committee recommends that the authorization request for one LSD-41 Cargo Variant in fiscal year 1988 be denied, with a resultant reduction of $324.2 million in the Navy shipbuilding and conversion account.

LHD-1 CLASS AMPHIBIOUS ASSAULT SHIP

For fiscal year 1988, the administration requested $740.7 million for construction one LHD-1 class amphibious assault ship and $32.2 million in advance procurement for another LHD-1 ship in fiscal year 1989. Information available to the committee indicates that the LHD-1 in fiscal year 1988 can be procured for $55.4 million less than the authorization request.

The committee recommends authorization of $685.3 million for construction of one LHD-1 in fiscal year 1988 and $32.2 million in advance procurement funding.

For fiscal year 1989, the administration requested $741.1 million for construction of one LHD-1 ship.

The committee recommends authorization of $741.1 million in fiscal year 1989 for construction of one LHD-1 ship.

MCM-1 CLASS MINE COUNTERMEASURES SHIP

The administration requested $297.3 million in fiscal year 1988 for construction of three MCM-1 class mine countermeasures ships. These three ships would complete the construction program of a total of 14 MCM-1 ships.

The committee strongly supports the Navy's efforts to deploy an adequate mine countermeasures capability. However, both the Navy and the General Accounting Office agree that the new ship construction contracts in fiscal year 1988 for MCM-1 Avenger class mine countermeasures ships cannot be executed due to schedule slippages, cost growth, and a lack of capacity at the two yards currently building these ships. Therefore, the committee has reluctantly determined that the requested authorization for the three MCM-1 class mine countermeasures ships in fiscal year 1988 is not needed; however, the committee strongly encourages the Navy to take whatever measures are necessary to ensure that the MCM-1 ship program is fully executed in a timely fashion.

The committee recommends that the authorization request for three MCM-1 class mine countermeasures ships in fiscal year 1988 be denied, with a resultant reduction of $297.3 million in the Navy shipbuilding and conversion account.

T-AO FLEET OILER

The committee recommends authorization of $150.0 million for the procurement of one T-AO oiler in fiscal year 1988. This reflects a reduction of one T-AO oiler and $129.1 million from the defense authorization request. The committee strongly supports the efforts of the Department of the Navy to modernize and expand its Mobile Logistics Support Forces and reluctantly makes this reduction.

T-AGOS OCEAN SURVEILLANCE SHIP

In the 5-year shipbuilding program presented to the Congress last year, the administration detailed plans for the construction of 10 T-AGOS ocean surveillance ships during fiscal year 1987 through fiscal year 1991, including three ships in fiscal year 1988. The administration described these ships as being: "* * * crucial both for extending coverage to ocean areas that are not routinely monitored by fixed systems and for providing backup coverage in the event that other systems are incapacitated." The committee agrees that T-AGOS ships are crucial to our antisubmarine warfare surveillance capability. Noting that the shipbuilding request currently before the Congress does not include T-AGOS ships for authorization in fiscal year 1988 even though priced options exist for them, the committee recommends that two of the three ships be restored to the original plan.

The committee recommends authorization of $110.8 million for construction of two SWATH (Small Waterplane Area Twin Hull) T-AGOS ocean surveillance ships in fiscal year 1988.

SEALIFT ENHANCEMENT

The administration requested $17.8 million in fiscal year 1988 for the sealift enhancement program. Although the concept of improving the military usefulness of commercial ships has merit, the Navy does not have a viable program that can be executed during fiscal year 1988.

The committee recommends that authorization of the sealift enhancement program be denied in fiscal year 1988, with a resultant reduction of $17.8 million in the Navy shipbuilding and conversion account.

FAST SEALIFT INITIATIVE

The committee recognizes that there are existing shortfalls of a serious nature in strategic sealift, particularly with respect to sealift for rapid reinforcement of U.S. forces and those of our allies in times of crisis. Therefore, the committee recommends authorization of $10.0 million in the Navy shipbuilding and conversion account specifically for an initiative to acquire or design fast sealift ships with sustained speeds greater than 30 knots and with rapid on-load and off-load capabilities. The Navy is directed to survey the international used shipping market to examine the feasibility of converting existing ships to a configuration similar to the fast sealift ships procured in the past, known as SL–7's. Should any such ships exist which can economically be converted to a configuration similar to SL–7's, the Navy is directed to use all or a portion of this $10.0 million to begin procurement of such ships. If no such existing ships are available on the international market, the Navy is directed to begin design of new construction ships which are similar in cost and capability to the existing SL–7 fast sealift ships. The committee will consider reprogramming money to support either the procurement of used ships or the design of new ships and will favorably consider funds supporting this initiative in fiscal year 1989.

SEALIFT SUPPORT EQUIPMENT

The administration requested $51.8 million in fiscal year 1988 for procurement of sealift support equipment, of which $31.9 million is for the procurement of seasheds and adapters. The committee recommends authorization of $63.8 million for sealift support equipment, of which $43.9 million is for the competitive procurement of seasheds and adapters through the existing small business program.

SQQ–89 ASW COMBAT SYSTEMS

The administration requested $154.6 million in fiscal year 1988 for procurement of eight SQQ–89 antisubmarine warfare combat systems.

The committee recommends authorization of $234.6 million for procurement of 12 SQQ–89 antisubmarine warfare combat systems. This reflects an increase of $80.0 million and 4 SQQ–89 combat systems to the request. The committee makes this recommendation in order to implement the committee's increased emphasis on enhancing antisubmarine warfare capabilities. The effect of this action will be to make certain classes of surface combatants more capable earlier than had been previously planned.

SONOBUOYS

The administration requested $117.6 million in fiscal year 1988 for procurement of five types of sonobuoys (AN/SSQ–36, AN/SSQ–53, AN/SSQ–57, AN/SSQ–62, and AN/SSQ–77).

The committee cannot properly assess the exact economic savings to be realized by increased funding in the sonobuoy lines, but anticipates that the competitive forces of the market place and increased volume of purchases will drive sonobuoy unit costs down. The committee recommends authorization of an additional $100.0 million, for a total authorization of $217.6 million, for the purchase of sonobuoys of all types. The Navy would be authorized to purchase as many sonobuoys of varying types within the funding constraints provided. The Navy is encouraged to buy the maximum economic number of sonobuoys with the additional funds. Further, any undistributed reduction to the other procurement, Navy (OPN) account is not to be applied to sonobuoy procurements.

OCEANOGRAPHIC SUPPORT EQUIPMENT

The Navy's small fleet of oceanographic ships is not fully equipped and some additional modern equipment would greatly improve their effectiveness. Therefore, the committee recommends authorization of $10.0 million to meet the requirements for oceanographic support equipment. The committee recommends authorization of these funds with the understanding that they shall be used solely for the purpose of procuring oceanographic support equipment.

PRIOR YEAR SAVINGS

The committee identified $36.547 million in prior year savings in the other procurement, Navy (OPN) account which may be used to fund OPN programs in fiscal year 1988. In fiscal year 1986, these savings were $1.410 million from the Electrically Suspended Gyro Navigator program, $0.907 million from the Vertical Launch System (Surface) program, $1.851 million from the QUICKSTRIKE program, and $0.864 million from the Amphibious Equipment program. In fiscal year 1987, these savings were $11.095 million from the Production Support Facilities program, $1.225 million from the Crush, Mix, Batch, Pave Equipment program, $0.109 million from the Drilling and Blasting Equipment program, $2.085 million from the Miscellaneous Construction and Maintenance Equipment program, $2.113 million from the Weight Handling Equipment program, and $14.882 million from the Computer Acquisition Program. The committee recommends that these savings be used as an offset in the OPN account in fiscal year 1988.

OTHER PROCUREMENT, NAVY

(DOLLARS IN THOUSANDS)

LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	FY1988 REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	FY1989 REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
27	SEALIFT SUPPORT EQUIPMENT		69,383		51,791	0	12,000		63,791		45,817	--	--	--	--
59	AN/SQQ-89 SURFACE ASW COMBAT SYS			8	154,644	4	80,000	12	234,644	7	220,681	--	--	--	--
61	TB-16 TOWED ARRAY (MYP)	10	4,552	14	5,665	0	0	14	5,665	21	8,774	0	0	21	8,774
65	FBM SYSTEM SONARS		1,764		4,337	0	0		4,337		7,157	0	0		7,157
101	NAVSTAR GPS RECEIVERS	135	24,302	132	13,212	0	0	132	13,212	195	19,403	0	0	195	19,403
116	NAVAL SPACE SURVEILLANCE SYSTEM		6,371		8,956	0	0		8,956		11,398	0	0		11,398
136	SHORE LF/VLF COMMUNICATIONS		17,554		1,122	0	0		1,122		4,300	0	0		4,300
137	VERDIN		10,848		820	0	0		820		4,535	0	0		4,535
141	COMPACT VLF RECEIVER		0		0	0	0		0	740	33,497	0	0	740	33,497
192	SKIPPER	1,560	38,007	1,520	36,973	0	0	1,520	36,973	1,550	37,444	0	0	1,550	37,444
193	GENERAL PURPOSE BOMBS		91,059		80,338	0	0		80,338		88,967	0	0		88,967
194	LASER GUIDED BOMB KITS	216	6,263	286	4,428	0	0	286	4,428	540	6,254	0	0	540	6,254
195	WALLEYE		24,877		10,729	0	0		10,729		5,900	0	0		5,900
196	ROCKEYE	1,528	1,258	1,341	6,783	0	0	1,341	6,783	992	5,493	0	0	992	5,493
197	ZUNI ROCKET		17,993		29,457	0	0		29,457		29,160	0	0		29,160
198	2.75 INCH ROCKET		27,725		19,133	0	0		19,133		20,864	0	0		20,864
199	PARACHUTE FLARES	268	1,922	44	731	0	0	44	731	50	765	0	0	50	765
200	MACHINE GUN AMMUNITION		15,092		15,435	0	0		15,435		17,368	0	0		17,368
201	PRACTICE BOMBS		25,129		50,425	0	0		50,425		49,418	0	0		49,418
202	CARTRIDGES + CARTRIDGE ACTUATED DEVICES		12,092		7,705	0	0		7,705		9,587	0	0		9,587
203	AIRCRAFT ESCAPE ROCKETS		4,325		4,717	0	0		4,717		4,640	0	0		4,640
204	AIRBORNE EXPENDABLE COUNTERMEASURES		38,616		25,535	0	0		25,535		18,146	0	0		18,146
205	MARINE LOCATION MARKERS		7,545		6,567	0	0		6,567		7,366	0	0		7,366
206	DEFENSE NUCLEAR AGENCY MATERIAL		2,422		1,477	0	0		1,477		1,722	0	0		1,722
207	BIGEYE CHEMICAL WEAPON		19,802		10,209	0	-8,160		2,049		9,937	0	0		9,937
208	JATOS		3,410		4,149	0	0		4,149		5,241	0	0		5,241
209	GATOR	966	24,649	775	19,751	0	0	775	19,751	1,091	20,869	0	0	1,091	20,869
210	MISC AIR LAUNCHED ORDNANCE		559		1,618	0	0		1,618		2,163	0	0		2,163
211	WEAPONS RANGE SUPPORT EQUIPMENT		55,614		46,829	0	0		46,829		69,740	0	0		69,740
212	EXPEDITIONARY AIRFIELDS		1,275		15,709	0	0		15,709		14,817	0	0		14,817
213	AIRCRAFT REARMING EQUIPMENT		38,336		35,277	0	0		35,277		18,440	0	0		18,440
214	CATAPULTS AND ARRESTING GEAR		33,242		47,022	0	0		47,022		21,297	0	0		21,297
215	METEOROLOGICAL EQUIPMENT		18,773		26,071	0	0		26,071		33,343	0	0		33,343
216	OTHER PHOTOGRAPHIC EQUIPMENT		2,052		1,841	0	0		1,841		1,091	0	0		1,091
217	MISC SURVIVAL EQUIPMENT		17,335		9,602	0	0		9,602		12,645	0	0		12,645
218	AIRBORNE MINE COUNTERMEASURES		29,326		15,940	0	0		15,940		26,020	0	0		26,020
221	STOCK SURVEILLANCE EQUIPMENT		1,946		3,207	0	0		3,207		3,162	0	0		3,162
222	OTHER AVIATION SUPPORT EQUIPMENT		13,146		13,864	0	0		13,864		39,139	0	0		39,139
237	POINT DEFENSE SUPPORT EQUIPMENT (MYP)		14,823		14,117	0	0		14,117		17,244	0	0		17,244
299	INTELLIGENCE SUPPORT EQUIPMENT		46,877		73,275	0	-1,000		72,275		75,204	0	800		76,004
300	ITEMS UNDER $2 MILLION		1,020		1,508	0	1,300		2,808		1,009	--	--	--	--
309	SPARES AND REPAIR PARTS		289,858		308,826	0	0		308,826		330,091	0	0		330,091

OTHER PROCUREMENT, NAVY

(DOLLARS IN THOUSANDS)

LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	FY1988 REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	FY1989 REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
	UNDISTRIBUTED PLUS-UP SONOBUOYS		0		0	0	100,000		100,000		0	--	--	--	--
	UNDISTRIBUTED REDUCTION		0		0	0	-173,800		-173,800		0	--	--	--	--
	PRIOR YEAR TRANSFERS		0		0	0	-36,540		-36,540		0	--	--	--	--
	OCEANOGRAPHIC EQUIPMENT		0		0	0	10,000		10,000		0	--	--	--	--
	ALL OTHER ITEMS		4,844,531		3,794,032		0		3,794,032		5,216,622		--	--	--
	TOTAL OTHER PROCUREMENT NAVY		5,905,671		4,983,827		-16,200		4,967,627		6,577,530		800		1,094,201

NOTE -- INDICATES NO AUTHORIZATION FOR FY89

PROCUREMENT, MARINE CORPS

(DOLLARS IN THOUSANDS)

LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	FY1988						FY1989					
				REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	LINEAR CHARGES, ALL TYPES			0	0	0	0	0	0	0	2,362	0	0	0	2,362
2	SMALL ARMS AMO, ALL TYPES		18,539	0	32,680	0	0	0	32,680	0	23,919	0	0	0	23,919
3	MACHINE GUN AMMO, ALL TYPES		32,003	0	31,528	0	0	0	31,528	0	34,093	0	0	0	34,093
4	MORTAR AMMO, ALL TYPES		178,074	0	122,846	0	0	0	122,846	0	79,228	0	0	0	79,228
5	GRENADES, ALL TYPES		8,311	0	25,410	0	0	0	25,410	0	9,001	0	0	0	9,001
6	ROCKETS, ALL TYPES		41,293	0	26.444	0	0	0	26,444	0	41,210	0	0	0	41,210
7	TRAINING AMMO, ALL TYPES		31,117	0	40,577	0	0	0	40,577	0	62,894	0	0	0	62,894
8	155MM AMMO, ALL TYPES		178.634	0	68.695	0	0	0	68,695	0	56,197	0	0	0	56,197
9	ANTI-ARMOR AMMO, ALL TYPES			0	36,796	0	0	0	36,798	0	64,767	0	0	0	64,767
10	155MM PROJ COPPERHEAD		37,831	0	0	0	0	0	0	0	0	0	0	0	0
11	8 INCH AMMO, ALL TYPES		14,687	0	0	0	0	0	0	0	0	0	0	0	0
12	FUZES, ALL TYPES		12,893	0	5,246	0	0	0	5,246	0	7,244	0	0	0	7,244
13	AMMO MODERNIZATION		19,237	0	14,775	0	0	0	14,775	0	19,656	0	0	0	19,656
14	ITEMS LESS THAN $2 MILLION		3,330	0	5,886	0	0	0	5,886	0	3,016	0	0	0	3,016
34	HAWK (MYP)	430	104,799	525	136,974	0	0	525	136,974	526	142,372	0	0	526	142,372
34	LESS: ADVANCE PROCUREMENT (PY)			0	0	0	0	0	0	0	-24,350	0	0	0	-24,350
35	ADVANCE PROCUREMENT (CY)			0	24,350	0	0	0	24,350	0	34,205	0	0	0	34,205
37	STINGER (MYP)	1,385	69,284	3,067	137,356	0	0	3,067	137,356	3,115	173,125	0	0	3,115	173,125
39	TOW (MYP)	3,250	26,700	2,847	26,940	0	0	2,847	26,940	2,784	28,357	0	0	2,784	28,357
132	CHEMICAL ALARM SYSTEM		0	386	916	0	0	386	916	607	1,444	0	0	607	1,444
133	CHEMICAL PROTECTION EQUIPMENT		0	0	0	0	0	0	0	38	204	0	0	38	204
137	SPARES AND REPAIR PARTS		24,659	0	29.692	0	0	0	29.692	0	51,062	0	0	0	51,062
	UNDISTRIBUTED REDUCTION		0	0	0	0	-24,000	0	-24,000	0	0	--	--	--	--
	ALL OTHER ITEMS		663.824		635,327		0		635,327		836.469		--		--
	TOTAL PROCUREMENT, MARINE CORPS		1,465.215		1,402.440		-24.000		1,378.440		1.646.475		0		813.306

NOTE -- INDICATES NO AUTHORIZATION FOR FY89

AIRCRAFT PROCUREMENT, AIR FORCE

(DOLLARS IN THOUSANDS)

LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	FY1988						FY1989					
				REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	ACM INTEGRATION			0	0	0	0	0	0	0	0	0	0	0	0
2	B-1B (MYP)			0	0	0	0	0	0	0	0	0	0	0	0
2	LESS: ADVANCE PROCUREMENT (PY)			0	0	0	0	0	0	0	0	0	0	0	0
3	AIR DEFENSE COMPETITION	20	402,007	0	0	0	0	0	0	0	0	--	--	--	--
4	F-15 D/E	42	1,695,987	42	1,603,100	0	-50,000	42	1,553,100	42	1,622,300	--	--	--	--
4	LESS: ADVANCE PROCUREMENT (PY)		-191,498	0	-218,900	0	0	0	-218,900	0	-154,200	--	--	--	--
5	ADVANCE PROCUREMENT (CY)		139,376	0	154,200	0	0	0	154,200	0	152,300	--	--	--	--
6	F-16 C/D (MYP)	180	2,671,995	180	2,757,620	0	-50,000	180	2,707,620	180	3,214,777	0	0	180	3,214,777
6	LESS: ADVANCE PROCUREMENT (PY)		-419,139	0	-533,952	0	0	0	-533,952	0	-646,100	0	0	0	-646,100
7	ADVANCE PROCUREMENT (CY)		454,052	0	475,900	0	0	0	475,900	0	584,600	0	0	0	584,600
8	KC-10A (ATCA) (MYP)	8	463,742	0	0	0	0	0	0	0	0	--	--	--	--
8	LESS: ADVANCE PROCUREMENT (PY)		-376,386	0	0	0	0	0	0	0	0	--	--	--	--
9	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	0	--	--	--	--
10	MC-130H	5	230,870	7	371,600	0	-27,500	7	344,100	4	223,000	0	76,000	4	299,000
10	LESS: ADVANCE PROCUREMENT (PY)		-5,414	0	-15,100	0	0	0	-15,100	0	-15,800	0	0	0	-15,800
11	ADVANCE PROCUREMENT (CY)		14,821	0	15,000	0	0	0	15,000	0	0	--	--	--	--
12	AC-130U GUNSHIP			5	236,000	0	18,200	5	254,200	6	304,400	--	--	--	--
12	LESS: ADVANCE PROCUREMENT (PY)			0	-18,200	0	0	0	-18,200	0	-59,200	--	--	--	--
13	ADVANCE PROCUREMENT (CY)		0	0	59,200	0	0	0	59,200	0	0	--	--	--	--
14	C-5B	21	2,225,591	0	0	0	0	0	0	0	0	--	--	--	--
14	LESS: ADVANCE PROCUREMENT (PY)		-341,776	0	0	0	0	0	0	0	0	--	--	--	--
15	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	0	--	--	--	--
16	C-17		14,276	2	652,700	0	0	2	652,700	4	966,900	0	0	4	966,900
16	LESS: ADVANCE PROCUREMENT (PY)			0	-34,000	0	0	0	-34,000	0	-66,300	0	0	0	-66,300
17	ADVANCE PROCUREMENT (CY)		34,000	0	66,300	0	0	0	66,300	0	99,400	0	0	0	99,400
18	C-20A			0	0	0	0	0	0	0	0	--	--	--	--
19	C-27			5	65,900	0	0	5	65,900	5	65,100	--	--	--	--
20	T-46A (NGT)			0	0	0	0	0	0	0	0	0	0	0	0
20	LESS: ADVANCE PROCUREMENT (PY)			0	0	0	0	0	0	0	0	0	0	0	0
21	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	0	0	0	0	0
22	HH-60			0	0	0	0	0	0	0	0	0	0	0	0
22	LESS: ADVANCE PROCUREMENT (FY)			0	0	0	0	0	0	0	0	0	0	0	0
23	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	0	0	0	0	0
24	CIVIL AIR PATROL A/C	30	1,570	30	600	0	0	30	600	30	500	--	--	--	--
25	VC-X			0	0	0	0	0	0	0	0	0	0	0	0
26	TR-1/U-2	3	96,073	0	10,700	0	0	0	10,700	0	12,600	0	0	0	12,600
26	LESS: ADVANCE PROCUREMENT (PY)		-8,179	0	0	0	0	0	0	0	0	0	0	0	0
27	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	0	0	0	0	0
28	B-52		397,200	0	270,700	0	0	0	270,700	0	194,500	0	0	0	194,500
29	FB-111		3,900	0	800	0	0	0	800	0	8,200	0	0	0	8,200
30	B-1B		80,000	0	4,600	0	0	0	4,600	0	106,100	--	--	--	--
31	A-7		14,100	0	700	0	0	0	700	0	-21,000	--	--	--	--
32	A-10		65,300	0	13,600	0	0	0	13,600	0	20,100	--	--	--	--

T-46 TRAINER

The committee included a provision (sec. 123) which releases the Air Force from having to comply with any statutory requirements to conduct a competition for trainer aircraft.

F-15 CHAFF AND FLARE DISPENSERS

Add $6.1 million in fiscal year 1988 and $15.0 million in fiscal year 1989 to Air Force F-15 modification account for purposes of procuring ALE-45 chaff and flare dispensers for F-15A/B aircraft.

KC-135R CONVERSIONS

The committee has strongly supported the conversion of KC-135A aerial tankers to KC-135R versions. The committee is disappointed that the Air Force requested only 36 conversions in fiscal year 1988 and fiscal year 1989, after the committee had increased the conversion rate to 50 per year for fiscal year 1987. Not only do KC-135Rs contribute to the solution of the shortfall of tanker capacity, they enjoy substantially reduced operating costs compared to the A models. Keeping the conversion rate of tanker aircraft at 50 per year will save nearly one billion dollars compared to a conversion rate of 36 per year. Accordingly, the committee has added $165 million in fiscal year 1988 and $190 million in fiscal year 1989 in order to keep the rate of conversions at the current 50 per year. The committee further directs the Air Force to examine the savings that would result from a multiyear procurement at a rate of 50 per year to the completion of the conversion program. If the potential savings warrant, the Air Force should implement a multiyear contract for the balance of the program. The committee understands that no additional fiscal year 1988 funding is required to begin a multiyear program.

SPECIAL OPERATIONS FORCES AIRLIFT

For several years, the committee has viewed the deficiencies in Special Operations Forces (SOF) airlift as one of the greatest shortcomings in U.S. military capabilities. After several years of confused proposals and programs, the Department of Defense has now structured a viable and justifiable program for SOF airlift. Unfortunately, execution of the proposed program is dependent on $328.3 million in the supplemental authorization request for fiscal year 1987 which will not be authorized. Accordingly, the SOF airlift program needs to be restructured to accommodate the lower funding in fiscal year 1987 and the resulting delays in various procurement and research and development programs.

The administration requested $808.9 million in the Aircraft, Air Force account for the procurement and modification of SOF airlift aircraft and helicopters in fiscal year 1988. The committee recommends authorization of $980.1 million for the procurement and modification of SOF airlift in fiscal year 1988, an increase of $171.2 million to the administration's request. This increase is the result of the restructuring of the SOF airlift program required because the Congress did not act on the supplemental authorization request in fiscal year 1987 for SOF airlift.

PRIOR YEAR SAVINGS

The committee identified $284.398 million in prior year savings in procurement of C-5B airlift aircraft which may be used to fund Air Force aircraft procurement in fiscal year 1988. These C-5B aircraft savings were $19.398 million in fiscal year 1985, $2.812 million in fiscal year 1986, and $262.188 million in fiscal year 1987. The committee recommends that these savings be used as an offset in the aircraft, Air Force account in fiscal year 1988.

AGM-130 POWERED GLIDE BOMB

The committee did not provide any procurement funds for the AGM-130 powered glide bomb. To date, all test launches have failed. The committee did provide the requested development funds, and will consider a reprogramming request if the Air Force can demonstrate that funding in fiscal year 1988 can be justified.

AMRAAM

Because of funding constraints, the committee imposed a $165 million undistributed reduction for missile procurement for the Air Force. The committee understands that this reduction may be allocated in part to the Advanced Medium Range Air to Air Missile (AMRAAM) program.

The committee strongly supports the AMRAAM program. The missile has been very successful in testing to date, with 29 successes out of 34 test launches. Some of the tests have exceeded the capabilities of the current missile, while the most demanding tests are yet to come.

The committee intends no reduction to the AMRAAM program, to which it assigns a high priority. Nonetheless, the committee believes the Air Force should be free to determine the allocation and size of cuts required because of the $165 million reduction.

AIRCRAFT PROCUREMENT, AIR FORCE

(DOLLARS IN THOUSANDS)

				FY1988						FY1989					
LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY86 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
33	F/RF-4		137,900	0	10,400	0	0	0	10,400	0	21,800	--	--	--	--
34	F-5		4,400	0	4,300	0	0	0	4,300	0	4,900	--	--	--	--
35	F-15		255,144	0	161,200	0	6,100	0	167,300	0	272,400	0	15,000	0	287,400
36	F-16		84,900	0	76,300	0	0	0	76,300	0	109,100	--	--	--	--
37	F-111		271,900	0	253,100	0	0	0	253,100	0	169,600	--	--	--	--
38	EF-111			0	0	0	0	0	0	0	26,400	--	--	--	--
39	TR-1A		12,600	0	10,900	0	0	0	10,900	0	20,300	0	0	0	20,300
40	T/AT-37			0	12,400	0	0	0	12,400	0	13,600	--	--	--	--
41	C-5		46,300	0	16,900	0	0	0	16,900	0	108,300	--	--	--	--
42	C-9		200	0	2,700	0	0	0	2,700	0	8,400	--	--	--	--
43	C-22			0	0	0	0	0	0	0	1,000	--	--	--	--
44	C-137		1,600	0	1,800	0	0	0	1,800	0	2,700	--	--	--	--
45	C-141		10,100	0	17,100	0	5,500	0	22,600	0	41,700	--	--	--	--
46	T-38		29,800	0	13,800	0	0	0	13,800	0	34,900	--	--	--	--
47	T-43		400	0	400	0	0	0	400	0	10,000	--	--	--	--
48	KC-10A (ATCA)		6,700	0	13,200	0	0	0	13.200	0	25,200	--	--	--	--
49	C-12			0	0	0	0	0	0	0	0	--	--	--	--
50	C-130		181,100	0	217,500	0	32,900	0	250,400	0	232,800	--	--	--	--
51	C-135		976,800	0	629,500	0	164,000	0	793,500	0	672,900	0	193,000	0	865,900
52	E-3		33,500	0	27,700	0	0	0	27,700	0	40,700	--	--	--	--
53	E-4		4,000	0	0	0	0	0	0	0	28,700	0	0	0	28,700
54	H-1		8.100	0	1.700	0	0	0	1,700	0	6.100	--	--	--	--
55	H-3 AIRCRAFT SYSTEM			0	200	0	0	0	200	0	0	--	--	--	--
56	HH-53 AIRCRAFT		158,200	0	400	0	83.000	0	83,400	0	32,700	--	--	--	--
57	OTHER AIRCRAFT		164,500	0	62,000	0	0	0	62,000	0	101,900	--	--	--	--
58	CLASSIFIED PROJECTS		90,109	0	83,728	0	-8,000	0	75,728	0	133.611	--	--	--	--
59	CIVIL RESERVE AIRLIFT FLEET (CRAF)			0	0	0	0	0	0	0	0	--	--	--	--
60	SPARES AND REPAIR PARTS		2,972,446	0	2,965,967	0	0	0	2.965.967	0	3.293.159	0	2,400	0	3.295.559
61	COMMON GROUND EQUIPMENT		292,427	0	221,275	0	0	0	221,275	0	234,609	--	--	--	--
62	INDUSTRIAL RESPONSIVENESS		41,691	0	40,000	0	0	0	40.000	0	36.500	--	--	--	--
63	WAR CONSUMABLES		46,100	0	50,000	0	0	0	50,000	0	49,400	--	--	--	--
64	OTHER PRODUCTION CHARGES		3,539,755	0	3.135,933	0	229,700	0	3,365,633	0	4,565.270	--	--	--	--
65	COMMON ECM EQUIPMENT			0	221,900	0	0	0	221,900	0	266,600	--	--	--	--
	C-5B SAVINGS			0	0	0	-284.398	0	-284,398	0	0	--	--	--	--
	PRIOR YEAR TRANSFER			0	0	0	-394,000	0	-394,000	0	0	--	--	--	--
	UNDISTRIBUTED REDUCTION			0	0	0	-221,100	0	-221.100	0	0	--	--	--	--
	SOF AIRLIFT SPARES			0	0	0	59,100	0	59,100	0	0	--	--	--	--
	TOTAL AIRCRAFT PROCUREMENT, AIR FORCE		17,041,940		14,191,371		-436,498		13,754,073		17,221,426		286,400		9,150,436
	OUTLAYS				879,865		-27,063		852,802		6.432.067		-147,239		5,766.669

MISSILE PROCUREMENT, AIR FORCE

(DOLLARS IN THOUSANDS)

				FY1988						FY1989					
LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	PEACEKEEPER (M-X)	12	1,082,090	21	1,259,949	0	-100,000	21	1,159,949	21	1,359,422	--	--	--	--
2	SMALL ICBM			0	0	0	0	0	0	0	111,600	--	--	--	--
3	MISSILE REPLACEMENT EQ-BALLISTIC		66,705	0	54,559	0	0	0	54,559	0	59,221	0	0	0	59,221
4	ADVANCED CRUISE MISSILE	[ ]	[ ]	[ ]	[ ]	[ ]	-200,000	[ ]	[ ]	[ ]	[ ]	--	--	--	--
4	LESS: ADVANCE PROCUREMENT (PY)	[ ]	[ ]	[ ]	[ ]	[ ]	0	[ ]	[ ]	[ ]	[ ]	--	--	--	--
5	ADVANCE PROCUREMENT (CY)	[ ]	[ ]	[ ]	[ ]	[ ]	0	[ ]	[ ]	[ ]	[ ]	--	--	--	--
6	HAVE FLAG		0		[ ]	0	0		[ ]	0	[ ]	0	0	0	[ ]
7	TACIT RAINBOW		0		[ ]	0	0		[ ]	0	[ ]	0	0	0	[ ]
8	AIR LAUNCH CRUISE MISSILE		12,053	0	2,347	0	0	0	2,347	0	1,186	0	0	0	1,186
9	AIM-7F/M SPARROW	349	55,896	558	99,462	0	0	558	99,462	0	0	0	0	0	0
10	AIM-9L/M SIDEWINDER	744	40,023	956	53,051	0	0	956	53,051	760	48,046	--	--	--	--
11	AGM-130 POWERED GBU-15	46	15,035	121	43,754	-121	-43,754	0	0	235	92,301	--	--	--	--
12	AGM-65D MAVERICK (MYP)	2,000	370,507	2,100	354,685	0	-29,600	2,100	325,085	1,900	250,539	0	0	1,900	250,539
12	LESS: ADVANCE PROCUREMENT (PY)			0	0	0	0	0	0	0	0	0	0	0	0
13	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	100,600	--	--	--	--
14	AGM-88A HARM	1,304	363,600	1,740	422,945	0	-20,200	1,740	402,745	893	214,914	--	--	--	--
15	RAPIER		6,217	0	31,200	0	0	0	31,200	0	11,000	--	--	--	--
16	AMRAAM	180	593,443	630	875,043	0	0	630	875,043	1,750	875,036	--	--	--	--
16	LESS: ADVANCE PROCUREMENT (PY)		-56,115	0	-42,161	0	0	0	-42,161	0	0	--	--	--	--
17	ADVANCE PROCUREMENT (CY)		42,161	0	0	0	0	0	0	0	0	--	--	--	--
18	GRD LAUNCH CRUISE MISSILE	76	121,209	37	75,261	0	0	37	75,261	0	10,900	--	--	--	--
18	LESS: ADVANCE PROCUREMENT (PY)		-8,854	0	-4,469	0	0	0	-4,469	0	0	--	--	--	--
19	ADVANCE PROCUREMENT (CY)		4,469	0	0	0	0	0	0	0	0	--	--	--	--
20	STINGER		1,668	0	0	0	0	0	0	0	0	--	--	--	--
21	TARGET DRONES	73	19,076	40	11,040	0	0	40	11,040	58	26,842	--	--	--	--
22	INDUSTRIAL FACILITIES		17,045	0	13,517	0	0	0	13,517	0	15,998	--	--	--	--
23	MISSILE REPLACEMENT EQ-OTHER		16,029	0	7,610	0	0	0	7,610	0	13,058	--	--	--	--
24	ADVANCED CRUISE MISSILE	[ ]	[ ]	[ ]	[ ]	[ ]	0	[ ]	[ ]	[ ]	[ ]	--	--	--	--
25	CLASSIFIED PROGRAMS	[ ]	[ ]	[ ]	[ ]	[ ]	0	[ ]	[ ]	[ ]	[ ]	--	--	--	--
26	MM II/III MODIFICATIONS		100,400	0	119,223	0	0	0	119,223	6	77,746	--	--	--	--
27	AGM-88A HARM		2,059	0	2,245	0	0	0	2,245	0	2,200	--	--	--	--
28	AIR LAUNCH CRUISE MISSILE		16,560	0	7,381	0	0	0	7,381	0	11,355	0	0	0	11,355
29	GRD LAUNCH CRUISE MISSILE		14,300	0	15,400	0	0	0	15,400	0	17,136	0	0	0	17,136
30	PEACEKEEPER (M-X)			0	1,311	0	0	0	1,311	0	1,733	0	0	0	1,733
31	MODIFICATIONS UNDER $2.0M		858	0	232	0	0	0	232	0	198	0	0	0	198
32	SPARES AND REPAIR PARTS		291,431	0	224,116	0	0	0	224,116	0	305,331	0	0	0	305,331
33	SPACEBORNE EQUIP (COMSEC)		55,274	0	23,682	0	0	0	23,682	0	37,035	0	0	0	37,035
34	GLOBAL POSITIONING (MYP)	0	309,227	4	207,405	0	0	4	207,405	0	61,217	0	0	0	61,217
34	LESS: ADVANCE PROCUREMENT (PY)		-100,700	0	-114,800	0	0	0	-114,800	0	0	0	0	0	0
35	SPACE SHUTTLE OPERATIONS (MYP)		53,369	0	112,951	0	0	0	112,951	0	39,587	0	0	0	39,587
35	LESS: ADVANCE PROCUREMENT (PY)		-15,600	0	-4,900	0	0	0	-4,900	0	0	0	0	0	0
36	ADVANCE PROCUREMENT (CY)			0	0	0	0	0	0	0	44,300	0	0	0	44,300
37	DEF METEOROLOGICAL SAT PRGG (MYP)		10,872	0	5,746	0	0	0	5,746	2	250,813	0	0	2	250,813

MISSILE PROCUREMENT, AIR FORCE

(DOLLARS IN THOUSANDS)

			FY1988						FY1989					
LINE NO. PROGRAM	FY87 QTY.	FY87 AMOUNT	REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY88 AMOUNT
37 LESS: ADVANCE PROCUREMENT (PY)			0	0	0	0	0	0	0	-91,700	0	0	0	-91,700
38 ADVANCE PROCUREMENT (CY)			0	91,700	0	0	0	91,700	0	53,000	0	0	0	53,000
39 DEFENSE SUPPORT PROGRAM (MYP)		61,796	1	401,143	0	0	1	401,143	2	563,426	0	0	2	563,426
39 LESS: ADVANCE PROCUREMENT (PY)			0	-72,400	0	0	0	-72,400	0	-111,039	0	0	0	-111,039
40 ADVANCE PROCUREMENT (CY)		216,339	0	63,100	0	0	0	63,100	0	36,400	0	0	0	36,400
41 DEFENSE SATELLITE COMM SYSTEM (MYP)	2	156,971	1	101,612	0	0	1	101,612	0	21,105	0	0	0	21,105
41 LESS: ADVANCE PROCUREMENT (PY)		-51,900	0	-25,742	0	0	0	-25,742	0	0	0	0	0	0
42 ADVANCE PROCUREMENT (CY)		5,382	0	0	0	0	0	0	0	0	0	0	0	0
43 AF SATELLITE COMM SYSTEM			0	0	0	0	0	0	0	0	0	0	0	0
44 SPACE BOOSTERS (MYP)	1	236,252	9	469,412	0	0	9	469,412	3	435,906	0	0	3	435,906
44 LESS: ADVANCE PROCUREMENT (PY)		-113,843	0	-163,000	0	0	0	-163,000	0	-285,000	0	0	0	-285,000
45 ADVANCE PROCUREMENT (CY)		319,858	0	166,000	0	0	0	168,000	0	103,000	0	0	0	103,000
46 SPACE DEFENSE SYSTEM		0	0	0	0	0	0	0	1	353,300	—	—	—	—
46 LESS: ADVANCE PROCUREMENT (PY)		0	0	0	0	0	0	0	1	-21,800	—	—	—	—
47 ADVANCE PROCUREMENT (CY)		0	0	21,800	0	-21,800	0	0	1	33,000	—	—	—	—
48 MEDIUM LAUNCH VEHICLE	4	227,000	4	197,900	0	0	4	197,900	4	204,100	0	0	4	204,100
49 SPACE SHUTTLE			0	0	0	0	0	0	0	0	0	0	0	0
50 OTHER PROGRAMS		44,016	0	24	0	0	0	24	0	0	0	0	0	0
51 FOREST GREEN		2,082	0	0	0	0	0	0	0	0	0	0	0	0
52 IONDS (MYP)		24,144	0	22,403	0	0	0	22,403	0	0	0	300	0	300
53 SPECIAL PROGRAMS		1,084,258	0	2,273,465	0	-54,000	0	2,219,465	0	2,753,893	0	257,800	0	3,011,693
54 SPECIAL UPDATE PROGRAMS		901,827	0	1,236,200	0	0	0	1,236,200	0	1,744,354	0	0	0	1,744,354
UNDISTRIBUTED REDUCTION		0	0	0	0	-165,000	0	-165,000	0	0	0	0	0	0
999 CLASSIFIED PROGRAMS		706,507	0	1,129,291	0	0	0	1,129,291	0	1,186,843	0	0	0	399,243
TOTAL MISSILE PROCUREMENT, AIR FORCE		8,050,718		9,772,693		-635,154		9,137,539		11,636,102		258,100		7,164,439
TOTAL OUTLAYS				2,277,037		-147,991		2,129,046		5,444,380		-126,570		4,255,751

TACAN ANTENNAS

The Tactical Air Navigation (TACAN) system provides directional orientation to aircraft flying in the national airspace system. The TACAN system is in need of improvement or replacement. The committee is concerned that while the Department of Defense is one of the primary users of TACAN, there has been a disproportionate sharing of the fiscal burden between the Federal Aviation Administration (FAA) and DoD as directed in the Federal Aviation Act of 1958. To ensure the upgrade of the TACAN system, Congress authorized and appropriated $8.0M in fiscal year 1986 and $8.7M in fiscal year 1987 for TACAN. The Air Force was directed to transfer these funds to the FAA to begin procurement of replacement antennas.

These funds have not been transferred, and the committee understands that the Air Force has used the fiscal year 1986 funds to offset a general budget reduction, despite congressional intent that those funds be transferred.

The committee directs the Air Force to transfer the funds appropriated in 1986 and 1987, and furthermore recommends the Air Force work with the Federal Aviation Administration to ensure that a program to replace TACAN antennas is established.

POLYACRYLONITRILE (PAN) CARBON FIBERS

The committee strongly supports the Secretary of Defense's initiative to ensure that U.S. defense contractors procure a minimum of one third of their PAN carbon fibers needs from domestic sources by the end of 1988.

Given the importance of PAN carbon fibers in present and future defense programs, it is imperative that the United States be self sufficient in meeting critical defense needs as soon as possible.

Therefore, the committee directs the Secretary of Defense to establish a new goal for domestic procurement of PAN carbon fibers of 50 percent by the end of 1990.

PROCUREMENT OF THE CHEMICAL DETERRENT

BIGEYE BINARY CHEMICAL BOMB

The administration requested a total of $25 million, $14.8 million in Air Force Other Procurement and $10.2 million in Navy Other Procurement, to complete low-rate initial production of a small quantity of the BIGEYE bomb.

The committee has been and remains a strong supporter of the chemical weapons modernization program, including the BIGEYE, which will provide the only usable deep strike capability likely to be available in the next ten years.

The committee has been advised, however, that an interruption in the BIGEYE operational testing program to correct minor deficiencies in two bomb components makes it likely that certification of the BIGEYE, in accordance with previous congressional direction, will be delayed. Accordingly, the committee recommends a reduction of $20 million in the request for BIGEYE procurement, in the expectation that the money will not be obligated in fiscal year 1988.

CHEMICAL DEMILITARIZATION

Section 142 would require the Secretary of Defense to issue a Final Programmatic Environmental Impact Statement by January 1, 1988, regarding the demilitarization of DOD's chemical munitions stockpile.

The department and the nation face a serious problem of safely destroying large stocks of obsolete chemical munitions and bulk chemical materials which are stored at eight locations in the continental United States and sites in the Pacific and Western Europe. The Army has successfully tested a prototype incinerator at Johnston Atoll in the Pacific, the location of a large stock of these highly toxic materials. It is currently constructing a full scale production incineration plant there, but has not yet tested the demilitarization process in this full scale plant.

This provision insures that three critical issues are thoroughly addressed by the Secretary of the Defense and certified to Congress before additional demilitarization plants are procured or constructed in the continental United States:

Evaluation of alternative disposal technologies and selection of one such technology for this purpose;

Full-scale operational verification of the selected technology; and

Maximum protection is provided for public health and the environment.

Based upon these criteria, the Secretary of Defense is directed to provide the House and Senate Armed Services committees an alternative chemical demilitarization concept plan by March 15, 1988, which will outline a schedule for stockpile destruction and an associated funding profile.

An initial concept plan was developed in response to a requirement of Sec. 1412 of the Defense Authorization Act of 1986. That law directed such a plan to outline how the department would fulfill the congressional mandate of completing destruction of the Defense Department's stockpile of lethal chemical agents and munitions by September 30, 1994. There has been concern that this plan does not adequately address the above concerns. Moreover, due to budgetary constraints, the committee has not authorized the funding that would be required to meet the 1994 destruction date regardless of the technology employed.

In the meantime, the Department of Defense is directed to conduct a comprehensive surveillance of the current stockpile.

AUTOMATIC INJECTORS FOR CHEMICAL WARFARE ANTIDOTE

The committee has become aware that DOD is planning to award a contract to a foreign manufacturer to supply automatic injectors containing atropine, an item deemed to be critical under the Industrial Preparedness Planning Program (IPPP). The committee is concerned that the award as currently proposed may be inconsistent with regulations that govern implementation of the IPPP, especially with respect to the requirement that items subject to the IPPP be manufactured in the U.S. or Canada.

Accordingly, the committee directs the Assistant Secretary of Defense for Acquisition and Logistics to ensure that the contractual arrangements for procuring the automatic atropine injectors meet all rules and regulations applicable to the IPPP. Furthermore, the committee understands the purpose of contracting with the foreign company is to expand the domestic U.S. industrial base capability in order to meet mobilization requirements for these items; however, according to a December 1986 Production Base Analysis conducted by DOD there are not enough requirements to sustain two or more producers at these minimum sustaining rates. Therefore, the committee directs the Department to ensure that the acquisition plan and contract contemplated for procuring these items do not result in loss of domestic capability by reducing the quantities procured below the minimum sustaining rate for the companies involved.

AUTHORIZATION FOR MULTIYEAR CONTRACTS

The administration requested authority to enter into multiyear contracts for the procurement of six systems in fiscal year 1988, and three systems in fiscal year 1989. The following is a list of programs proposed for multiyear contracts and the projected savings when compared with annual contracts:

Fiscal year 1988

System	*Percent savings*
High Mobility Multipurpose Wheeled Vehicle	12.3
TOW 2 Missile	12.0
AN/ALQ-136(V)2 Radar Jammer	22.5
Harpoon Missile	10.0
Hawk Missile	13.1
Defense Meteorological Satellite Program	16.9

Fiscal year 1989

F-16 Fighter	11.0
IR Maverick Missile	5.7
CH-47D Helicopter	8.3

The committee has consistently supported multiyear contracting as a means to achieve program stability and savings. The committee approved the administration's proposal for multiyear contracts for the High Mobility Multipurpose Wheeled Vehicle, TOW 2 Missile, AN/ALQ-136(V)2 Radar Jammer, Hawk Missile, and the Defense Meteorological Satellite Program. The committee stresses that the administration may enter into multiyear contracts only if the projected cost of the contract is no more than 88 percent of the projected costs under annual contracts.

The committee chose not to authorize multiyear contracts beginning in fiscal year 1989 because of uncertainty in the overall budget situation for fiscal year 1989. The administration's budget request for fiscal year 1989 failed to comply with the Gramm-Rudman-Hollings deficit reduction targets. This precluded the committee from authorizing a full fiscal year 1989 authorization bill. The committee stresses that this reflects no prejudice against those multiyear contract proposals; however, none of the fiscal year 1989 multiyear proposals projected savings of 12% or greater.

OTHER PROCUREMENT, AIR FORCE

(DOLLARS IN THOUSANDS)

				FY1988						FY1989					
LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
41	BIGEYE		14,587	[ ]	14,753	0	-11,800	[ ]	2,953	[ ]	89,487	0	0	[ ]	89,487
171	INTELLIGENCE COMM EQUIP		1,097		17,051	0	34,200		51,251		25,061	0	47,800		72,861
180	OTH-B RADAR		106,975		121,769	0	0		121,769		214,738	--	--	--	--
184	CHEYENNE MOUNTAIN COMPLEX		8,529		18,198	0	0		18,198		28,975	--	--	--	--
191	DEFENSE METEOROLOGICAL SAT PROG		3,348		10,176	0	0		10,176		20,773	--	--	--	--
192	ENSCE				0	0	0		0		3,672	--	--	--	--
193	CARIBBEAN BASIN RADAR NETWORK		9,724		4,722	0	0		4,722		26,763	--	--	--	--
197	DIST ERLY WARNING RDR/NORTH WARNING		4,200		2,812	0	0		2,812		187,873	--	--	--	--
202	IMAGERY TRANS		8,255		0	0	0		0		2,036	--	--	--	--
206	AUTOMATIC DATA PROCESSING EQUIP		129,324		120,380	0	0		120,380		121,271	--	--	--	--
212	RANGE IMPROVEMENTS		105,552		141,331	0	0		141,331		179,852	--	--	--	--
218	SATELLITE CONTROL FACILITY		97,249		113,679	0	0		113,679		74,951	--	--	--	--
221	CMD CENTER PROCESSING/DISPLAY SYS		2,052		1,095	0	0		1,095		23,553	--	--	--	--
261	CHEMICAL/BIOLOGICAL DEF PROG		81,494		115,444	0	0		115,444		211,915	--	--	--	--
287	INTELLIGENCE PRODUCTION ACTIVITY		21,822		24,532	0	0		24,532		32,493	--	--	--	--
291	AF TECHNICAL APPLICATION CENTER		12,439		15,667	0	0		15,667		0	0	21,400		21,400
293	SELECTED ACTIVITIES		4,040,919		4,675,854	0	-62,100		4,613,754		4,940,526	0	-307,400		4,633,126
	UNDISTRIBUTED REDUCTION				0	0	-320,000		-320,000		0	--	--	--	--
	ALL OTHER ITEMS		4,679,215		3,173,019		0		3,173,019		3,636,297		0		3,636,297
	TOTAL OTHER PROCUREMENT, AIR FORCE		9,326,781		8,570,482		-359,700		8,210,782		9,820,236		-238,200		8,453,171

NOTE: — INDICATES NO AUTHORIZATION FOR FY89

PROCUREMENT, DEFENSE AGENCIES

(DOLLARS IN THOUSANDS)

				FY1988						FY1989					
LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	MOTOR VEHICLES		0		320		0		320		0		0		0
2	MAJOR EQUIPMENT, OSD/WHS		106,634		138,124		0		138,124		124,120		--		--
3	CLASSIFIED EQUIPMENT		[ ]		[ ]		-14,000		[ ]		[ ]		0		[ ]
4	VEHICLES		219		249		0		249		785		--		--
5	OTHER CAPITAL EQUIPMENT		6,706		4,088		0		4,088		2,673		0		2,673
6	WWMCCS ADP SYSTEMS		4,534		22,151		0		22,151		20,619		0		20,619
7	DEFENSE SWITCHING NETWORK		0		0		0		0		0		0		0
8	ITEMS LESS THAN $2 MILLION		38,897		25,463		0		25,463		30,506		0		30,506
9	INTELLIGENCE AND COMMUNICATIONS		[ ]		[ ]		-1,500		[ ]		[ ]		0		[ ]
10	MATERIALS HANDLING EQUIPMENT		16,826		8,587		0		8,587		7,091		0		7,091
11	VEHICLES		2,296		1,060		0		1,060		1,680		0		1,680
12	MECHANIZED MATERIALS HANDLING SYS		26,612		14,351		0		14,351		14,944		0		14,944
13	ADP EQUIPMENT		33,691		45,032		0		45,032		66,240		0		66,240
14	TELECOMMUNICATIONS EQUIPMENT		11,798		20,213		0		20,213		21,888		0		21,888
15	OTHER MAJOR EQUIPMENT		8,599		5,514		0		5,514		5,403		0		5,403
16	ITEMS LESS THAN $2 MILLION		3,108		2,399		0		2,399		2,384		0		2,384
17	AUTOMATED MARKING/READING SYSTEM(LOGMARS)		0		0		0		0		0		0		0
18	ADP EQUIPMENT		0		0		0		0		0		0		0
19	VEHICLES		369		368		0		368		185		0		185
20	OTHER CAPITAL EQUIPMENT		31,090		15,310		0		15,310		73,063		--		--
21	VEHICLES		3,385		3,119		0		3,119		3,041		0		3,041
22	OTHER CAPITAL EQUIPMENT		168		0		0		0		324		0		324
23	ITEMS LESS THAN $2 MILLION		1,260		834		0		834		956		0		956
24	ITEMS LESS THAN $2 MILLION		7,874		8,072		0		8,072		11,624		0		11,624
25	ITEMS LESS THAN $2 MILLION		309,200		352,481		0		352,481		530,661		--		--
26	ITEMS LESS THAN $2 MILLION		1,665		7,263		0		7,263		953		0		953
999	CLASSIFIED PROGRAMS		883,325		617,393		0		617,393		591,911		81,200		673,111
	TOTAL PROCUREMENT, DEFENSE AGENCIES		1,498,256		1,292,391		-15,500		1,276,891		1,511,051		81,200		863,622

NATIONAL GUARD AND RESERVE EQUIPMENT

(DOLLARS IN THOUSANDS)

				FY1988						FY1989					
LINE NO.	PROGRAM	FY87 QTY.	FY87 AMOUNT	REQUEST FY88 QTY.	REQUEST FY88 AMOUNT	CHANGE FY88 QTY.	CHANGE FY88 AMOUNT	AUTH FY88 QTY.	AUTH FY88 AMOUNT	REQUEST FY89 QTY.	REQUEST FY89 AMOUNT	CHANGE FY89 QTY.	CHANGE FY89 AMOUNT	AUTH FY89 QTY.	AUTH FY89 AMOUNT
1	RESERVE, ARMY		90,000		0		30,000		30,000		0		0		0
2	RESERVE, NAVY		61,000		0		25,000		25,000		0		0		0
3	RESERVE, MAR CORPS		60,000		0		0		0		0		0		0
4	RESERVE, AF		150,000		0		15,000		15,000		0		0		0
5	GUARD, ARMY		146,000		0		60,000		60,000		0		0		0
6	GUARD, AF C-130		50,000	0	0	8	150,000	8	150,000		0		0		0
	GUARD, AF		0		0		20,000		20,000		0		0		0
	TOTAL NATIONAL GUARD AND RESERVE EQUIPMENT		557,000		0		300,000		300,000		0		0		0

ADDITIONAL PROCUREMENT FOR RESERVE COMPONENTS

The committee recommends a continuation of funding for the everyday equipment needs of Guard and Reserve units to offset existing equipment shortfalls. The committee recommends an additional $300 million be authorized in the following amounts:

Army National Guard—$60 million;

Air National Guard—$170 million, with no more than $150 million for 8 C–130 aircraft;

Army Reserves—$30 million;

Navy Reserves—$10 million

Navy Reserve Seabees—$15 million

Air Force Reserves—$15 million.

The committee directs that the Chief of each Guard and Reserve component provide to the House and Senate Committees on Armed Services and Appropriations a detailed report on the items to be procured with such funds within 120 days of enactment of this Act. The committee recommends $15 million for Reserve Seabee Unit outfitting with the understanding that this equipment be managed and configured by unit sets to facilitate rapid deployment. In addition, the committee directs that nine AH–64 helicopters be transferred to the National Guard.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The recommendations of the committee for the research, development, test and evaluation of various defense weapons and equipment appear in the following pages.

SUMMARY OF RDT&E CHANGES

The table below summarizes the committee's recommendations for the research, development, test and evaluation part of the defense budget request for fiscal years 1988 and 1989.

SUMMARY OF RDT&E CHANGES
($ IN THOUSANDS)

ACCOUNT	FY 1987 ESTIMATE	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	FY 1989 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION							
Army	4,771,917	5,511,172	-36,712	5,474,460	5,972,845	-3,103,832	2,869,013
Navy (including Marine Corps)	9,381,928	10,490,412	-221,675	10,268,737	10,044,819	-6,862,449	3,182,370
Air Force	15,191,572	18,623,383	-2,276,785	16,346,598	17,728,571	-9,760,791	7,967,780
Defense Agencies	7,171,871	8,811,532	-387,518	8,424,014	10,120,664	-6,578,769	3,541,895
Developmental Test and Evaluation	149,906	178,217	0	178,217	186,128	0	186,128
Operational Test and Evaluation	57,300	104,221	0	104,221	149,657	0	149,657
TOTAL, RESEARCH, DEVELOPMENT, TEST, AND EVALUATION	36,724,494	43,718,937	-2,922,690	40,796,247	44,202,684	-26,305,841	17,896,843

UNDISTRIBUTED REDUCTIONS

The committee recommends undistributed reductions as shown in specific tables. These reductions are made without prejudice to any particular programs, but are not to apply to any programs for which the committee has made recommendations for programmatic or funding increases.

None of the undistributed reductions taken in the services' and Defense Agencies' research and development budgets may be applied to the technology base, advanced technology development, or defensewide mission support portions of those R&D budgets.

ARMORED FAMILY OF VEHICLES

The Army requested $9.8 million in fiscal year 1988 and $45.0 million in fiscal year 1989 to initiate development of a new generation of armored combat vehicles under the Armored Family of Vehicles (AFV) program. The committee supports the Army's efforts to develop new combat vehicles and believes the Army's emphasis on reduced logistics costs is commendable. However, the committee notes that the first goal of any future combat vehicle should be improved combat performance, not just lower operating and support costs.

The committee believes the Army should establish ambitious combat performance goals for the AFV program. At this point modest investments in development could result in substantial long-term savings. Consequently, the committee recommends that $20.3 million be provided in fiscal year 1988 and $69.1 million be provided in fiscal year 1989 to continue work on the AFV program. This level of funding was initially proposed by the Army and is required to meet the ambitious schedule proposed for developing the new family of combat vehicles.

RIFLE LAUNCHED MUNITION

Last year, the Congress appropriated funds for development, test and qualification of a lightweight individual munition launched from an unmodified M–16 rifle. To date the Army has not pursued that program. The committee emphasizes its commitment to fielding an anti-armor weapon for light and unconventional forces in an expeditious manner. Therefore, the committee directs that responsibility for this effort be transferred to the Special Operations Forces program. All necessary administrative steps are to be taken to transfer $11,827,000 from program element 63608 to program element 63760.

LIQUID EXPLOSIVES FOR TANK BARRIERS

The Army has been developing the capability to create anti-tank barriers using liquid explosives. Two competing liquid explosives have been suggested. The Army proposes to proceed with Blasting Agent because it is half as expensive as Nitromethane. Nitromethane, however, is preferred by the Federal Republic of Germany for comparable missions. The committee understands the Army's preference for the least costly explosive, but recognizes the need for interoperability with NATO allies. Before the Army proceeds with any procurement of Blasting Agent or related equipment, the Secretary of Defense shall convene an independent panel, to include representatives from the German Ministry of Defense and the United States Army, for purposes of reassessing the advantages and disadvantages of the two approaches, and opportunities for commonality.

ADVANCED TECHNOLOGY LIGHT HELICOPTER

The Army requested $267.2 million in fiscal year 1988 and $532.1 million in fiscal year 1989 to initiate full scale development of the Advanced Technology Light Helicopter, previously known as LHX.

RDT&E, ARMY

LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
1	61101A	In-House Laboratory Independent Research	16,840	0	0	0	0	0	0
2	61102A	Defense Research Sciences	116,973	114,411	0	114,411	117,369	0	117,369
3	61103A	University Research Initiatives	84,030	84,554	0	84,554	80,273	0	80,273
4	62105A	Materials	14.891	11,715	0	11,715	13.141	0	13,141
5	62120A	Electronic Survivability and Fuzing Technolog	37,126	51,746	0	51,746	42,157	0	42,157
6	62122A	Survivability Enhancement	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
7	62211A	Aviation Technology	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
8	62303A	Missile Technology	27.078	28.878	0	28,878	24,158	0	24,158
9	62307A	Laser Weapons Technology	8,655	11,167	0	11,167	12,871	0	12,871
10	62601A	Tank and Automotive Technology	21.952	23,363	0	23,363	21,908	0	21.908
11	62618A	Ballistics Technology	45,520	30,948	0	30,948	34,909	0	34,909
12	62622A	Chemical and Smoke Munitions	59,177	45,444	0	45,444	42,387	0	42,387
13	62623A	Joint Service Small Arms Program	11,777	13,593	0	13,593	15,553	0	15,553
14	62624A	Weapons and Munitions Technology	20.197	24.931	0	24.931	30,997	0	30,997
15	62705A	Electronics and Electronic Devices	20,794	21,775	0	21,775	22,499	0	22,499
16	62709A	Night Vision Investigations	26,111	22.584	0	22.584	24,817	0	24,817
17	62715A	Tactical Electronic Warfare Technology	12,484	[ ]	0	[ ]	[ ]	0	[ ]
18	62716A	Human Factors Engineering in Systems Developm	17,359	15,372	0	15,372	15,071	0	15,071
19	62720A	Environmental Quality Technology	11,468	9,923	0	9,923	9.581	0	9,581
20	62727A	Non-System Training Devices	4,230	4.011	0	4.011	3,429	0	3,429
21	62770A	Military Disease Hazards Technology	43,293	49,435	0	49,435	49,635	0	49,635
22	62782A	Command, Control and Communications Technolog	33,771	16,792	0	16,792	29,578	0	29.578
23	62783A	Computer and Software Technology	8,872	8,227	0	8,227	6,461	0	6,461
24	62784A	Military Engineering Technology	42,967	42,426	0	42.426	49,552	0	49,552
25	62785A	Manpower/Personnel/Training Technology	15,216	15,581	0	15,581	17,981	0	17,981
26	62786A	Logistics Technology	33,019	42,603	0	42.603	45,182	0	45,182
27	62787A	Medical Technology	68,255	60,762	0	60,762	63,310	0	63,310
28	63001A	Logistics Advanced Technology	15,323	16,475	0	16,475	19,343	0	19,343
29	63002A	Medical Advanced Technology	32,663	39,164	0	39,164	51,772	0	51,772
30	63003A	Aviation Advanced Technology	60,007	48.708	0	48.708	40.810	0	40,810
31	63004A	Weapons and Munitions Advanced Technology	23,454	24,914	0	24,914	41,562	0	41,562
32	63005A	Combat Vehicle and Automotive Advanced Techno	37,658	48,774	0	48.774	54,262	0	54,262
33	63006A	Command, Control and Communications Technolog	12,940	7,485	0	7,485	9,759	0	9,759
34	63007A	Human Factors/Personnel/Training Advanced Tec	27.151	38.164	0	38.164	46.677	0	46,677
35	63008A	Electronic Warfare Advanced Technology	13,798	[ ]	0	[ ]	[ ]	—	—
36	63102A	Materiels and Structures	14,575	8,185	0	8.185	9.206	0	9,206
37	63105A	Acquired Immune Deficiency Syndrome (AIDS) Re	21,711	5,000	0	5,000	12,000	0	12,000
38	63255A	Operational Enhancements	0	7,757	0	7,757	14,228	0	14,228
39	63313A	Missile and Rocket Components	31,817	20,321	0	20,321	16,363	0	16,363
40	63314A	High Energy Laser and Directed Energy Compone	0	7,831	0	7,831	32,387	0	32,387
41	63321A	Target Acquisition and Counter/Countermeasure	18,375	[ ]	0	[ ]	[ ]	—	—
42	63324A	Army Development and Employment Activity	9.617	11,936	0	11,936	17,288	0	17,288
43	63606A	Landmine Warfare & Barrier Developments	24,849	10,675	0	10,675	11,579	0	11,579

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	CHANGE FY88 AMOUNT	AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
44	63607A	Joint Service Small Arms Program	6,617	10,820	0	10,820	9,564	--	--
45	63710A	Night Vision Advanced Development	25,966	23,653	0	23,653	26,169	0	26,169
46	63734A	Engineering Systems	3,851	4,699	0	4,699	2,338	0	2,338
47	63742A	Advanced Electronic Devices	2,405	7,089	0	7,089	7,924	0	7,924
48	63752A	Demilitarization Concepts	0	0	0	0	0	0	0
49	63756A	DoD Software Initiatives (STARS)	0	0	0	0	0	0	0
50	63758A	Army Battlefield Technology Integration	11,351	12,221	0	12,221	9,601	0	9,601
51	63759A	CB Defense/Smoke Advanced Technology Demonstr	2,283	4,734	0	4,734	3,450	0	3,450
52	63772A	Advanced Tactical Computer Science Technology	4,610	6,117	0	6,117	8,501	0	8,501
53	12814A	Special Activities	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
54	12821A	Classified Program	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
55	33152A	World-Wide Military Command and Control Syste	28,423	[ ]	0	[ ]	[ ]	0	[ ]
56	63220A	Advanced Rotocraft Technology Integration LHX	42,575	0	0	0	0	--	--
57	63302A	Antitactical Missile System	28,913	29,501	0	29,501	85,853	--	--
58	63303A	Surface-to-Surface Missile Rocket System	41,042	29,560	0	29,560	37,071	--	--
59	63323A	Lightweight Air Defense System	9,617	0	0	0	0	--	--
60	63604A	Nuclear Munitions and Radiacs	5,957	[ ]	0	[ ]	[ ]	0	[ ]
61	63612A	Advanced Anti-Tank Weapon System	56,783	59,146	0	59,146	117,446	--	--
62	63619A	Landmine and Barrier Systems	6,171	15,797	0	15,797	16,345	--	--
63	63627A	Smoke Munitions & Materiel Concepts	2,509	9,707	0	9,707	8,518	--	--
64	63633A	Tank and Fighting Vehicles Ammunition Develop	0	0	0	0	0	--	--
65	63639A	Armament Enhancement Initiative	[ ]	[ ]	0	[ ]	[ ]	--	--
66	63642A	Evolutionary Surface-to-Air Missile	0	0	0	0	3,061	--	--
67	63645A	Armored Family of Vehicles - Advanced Develop	0	9,814	11,400	21,214	44,970	24,100	69,070
68	63705A	Physical Security	2,251	0	0	0	2,907	--	--
69	63706A	Identification-Friend or Foe Developments	19,723	16,270	0	18,270	14,940	--	--
70	63711A	Aircraft Survivability Equipment	3,559	6,767	0	6,767	12,548	--	--
71	63713A	Army Data Distribution System	35,697	33,855	0	33,855	25,500	--	--
72	63718A	Electronic Warfare Vulnerability/Susceptibili	13,002	15,464	0	15,464	16,546	--	--
73	63725A	Remotely Piloted Vehicles and Drones	9,691	11,546	0	11,546	6,598	--	--
74	63730A	Tactical Surveillance System	8,678	[ ]	0	[ ]	[ ]	--	--
75	63738A	Non-System Training Devices	3,722	0	0	0	862	--	--
76	63740A	Air Defense Command, Control and Intelligence	4,809	4,337	0	4,337	0	--	--
77	63745A	Tactical Electronic Support Measure Systems	7,776	[ ]	0	[ ]	[ ]	--	--
78	63746A	Single Channel Ground and Airborne Radio Syst	0	0	0	0	0	--	--
79	63747A	Soldier Support and Survivability	4,227	3,864	0	3,864	4,553	--	--
80	63751A	Medical Defense Against Chemical Warfare	25,495	27,112	0	27,112	28,997	--	--
81	63754A	Classified Program (Adv)	[ ]	[ ]	0	[ ]	[ ]	--	--
82	63755A	Tactical Electronic Countermeasures System	24,046	[ ]	0	[ ]	[ ]	--	--
83	63757A	Forward Area Air Defense Systems	80,719	131,608	42,500	174,108	166,461	--	--
84	63760A	SOF Equipment Advanced Development	0	20,421	0	20,421	21,579	0	21,579
85	63766A	Tactical Electronic Surveillance Systems	11,670	[ ]	0	[ ]	[ ]	--	--
86	63774A	Night Vision Systems Advanced Development	283	4,944	0	4,944	3,932	--	--

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LINE NO.	FE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
87	63775A	Light Armored/Weasel Evaluation	9,921	0	0	0	0	--	--
88	63776A	Airborne Adverse Weather Weapons System	0	97,726	0	97,726	87,339	--	--
89	63801A	Aviation Advanced Development	8,258	3,041	0	3,041	4,362	--	--
90	63802A	Weapons and Munitions Advanced Development	21,263	10,785	0	10,785	12,288	--	--
91	63803A	Chemical Systems Advanced Development	24,037	15,325	0	15,325	0	0	0
92	63804A	Logistics and Engineer Equipment Advanced Dev	22,920	20,505	0	20,505	18,987	--	--
93	63805A	Combat Service Support Computer System Evalua	4,497	1,195	0	1,195	1,426	--	--
94	63806A	Chemical/Biological Defense Equipment Advance	10,032	6,485	0	6,485	5,513	0	5,513
95	63807A	Medical Systems Advanced Development	23,817	21,863	0	21,863	24,379	--	--
96	64202A	Aircraft Weapons	2,481	9,789	0	9,789	12,500	--	--
97	64206A	UH-60 BLACKHAWK	0	0	25,000	25,000	0	--	--
98	64216A	Aircraft Propulsion System	94,714	135,073	0	135,073	65,938	--	--
99	64220A	Army Helicopter Improvement Program	0	0	0	0	0	--	--
100	64223A	Advanced Technology Light Helicopter Series	0	267,212	-97,212	170,000	532,064	--	--
101	64306A	STINGER	6,977	4,820	0	4,820	0	--	--
102	64307A	PATRIOT Air Defense Missile System	0	0	0	0	0	--	--
103	64310A	Heliborne Missile - HELLFIRE	1,985	0	0	0	0	--	--
104	64313A	GRASS BLADE	2,914	12,798	0	12,798	14,615	--	--
105	64321A	Joint Tacticl Fusion Program	154,418	[ ]	0	[ ]	[ ]	--	--
106	64324A	Army Tactical Missile System (Army TACMS)	84,807	112,208	0	112,208	86,618	--	--
107	64603A	Nuclear Munitions	18,682	[ ]	0	[ ]	[ ]	0	[ ]
108	64604A	Mobility	0	35,267	0	35,267	23,555	--	--
109	64609A	Smoke Munitions & Materiel	7,590	10,072	0	10,072	13,229	--	--
110	64611A	Advanced Anti-Tank Weapon Systems - Eng Dev	0	0	0	0	114,239	--	--
111	64630A	M1A1 Development Program	3,654	0	0	0	0	--	--
112	64632A	105mm Tank Ammunition	0	0	0	0	0	--	--
113	64702A	Joint Tactical Information Distribution Syste	0	4,307	0	4,307	0	--	--
114	64704A	Unattended Ground Sensors	0	0	0	0	0	--	--
115	64709A	Identification Friend or Foe (IFF) Equipment	500	19,073	0	19,073	33,181	--	--
116	64710A	Night Vision Devices	10,525	15,271	0	15,271	22,630	--	--
117	64711A	Aircraft Survivability Equipment	19,063	8,001	0	8,001	18,283	--	--
118	64713A	Combat Feeding, Clothing, and Equipment	3,466	1,333	0	1,333	3,244	--	--
119	64715A	Nonsystem Training Devices Engineering	44,211	32,539	0	32,539	24,867	--	--
120	64718A	Physical Security	7,159	6,784	0	6,784	4,894	--	--
121	64722A	Education and Training Systems Development	4,211	5,447	0	5,447	6,889	--	--
122	64723A	Special Purpose Detectors	1,137	1,430	0	1,430	484	--	--
123	64726A	Meteorological Equipment and Systems	1,162	1,339	0	1,339	1,615	--	--
124	64730A	Remotely Piloted Vehicles	61,813	32,620	0	32,620	29,600	--	--
125	64736A	Project SIERRA	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
126	64737A	Unmanned Aerial Vehicles - Eng Dev	0	8,284	0	8,284	11,138	--	--
127	64740A	Tactical Surveillance System	13,649	[ ]	0	[ ]	[ ]	--	--
128	64741A	Air Defense Command, Control and Intelligence	39,539	108,016	0	108,016	167,254	--	--
129	64746A	Automatic Test Equipment Development	11,893	8,884	0	6,884	14,498	--	--

RDT&E, ARMY

LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988			FY1989		
				REQUEST FY88 AMOUNT	CHANGE FY88 AMOUNT	AUTH FY86 AMOUNT	REQUEST FY89 AMOUNT	CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
130	64750A	Tactical Electronic Countermeasures Systems	11,639	[ ]	0	[ ]	[ ]	--	--
131	64754A	Classified Program (Eng)	[ ]	[ ]	0	[ ]	[ ]	--	--
132	64757A	Medical Chemical Defense Life Support Materia	8,852	7,705	0	7,705	8,529	0	8,529
133	64766A	Tactical Electronic Surveillance Systems	15,884	[ ]	0	[ ]	[ ]	--	--
134	64770A	Joint Surveillance/Target Attack Radar System	26,811	23,396	0	23,396	15,430	--	--
135	64779A	Joint Interoperability of Tactical Command &	13,305	18,360	0	18,360	17,828	--	--
136	64801A	Aviation Engineering Development	11,728	12,165	0	12,165	13,089	--	--
137	64802A	Weapons and Munitions Engineering Development	108,490	111,904	0	111,904	133,919	--	--
138	64803A	Chemical Systems Engineering Development	0	15,325	0	15,325	29,370	0	29,370
139	64804A	Logistics and Engineer Equipment Engineering	18,976	14,830	0	14,830	18,150	--	--
140	64805A	Command, Control, Communications Systems Engi	19,136	15,851	0	15,851	10,356	--	--
141	64806A	Chemical/Biological Defense Equipment Enginee	35,567	24,122	0	24,122	20,205	0	20,205
142	64807A	Medical Materiel/Medical Biological Defense E	13,641	13,453	0	13,453	17,998	--	--
143	64808A	Landmine Warfare/Barrier Engineering Developm	16,941	7,343	0	7,343	14,969	--	--
144	65710A	Joint CB Point of Contact, Test and Assessmen	6,012	6,403	0	6,403	6,531	--	--
145	23726A	Adv Field Artillery Tactical Data System	10,301	40,857	0	40,857	25,753	--	--
146	23727A	Medium Antitank Assault Weapon (DRAGON)	0	0	0	0	0	--	--
147	23735A	Combat Vehicle Improvement Program	93,858	103,968	5,000	108,968	81,170	--	--
148	23739A	Air Defense C2I Mods	9,300	14.637	0	14,637	18,833	--	--
149	23740A	Maneuver Control System	9,581	13,973	0	13,973	12,004	--	--
150	23743A	155mm Self-Propelled Howitzer Improvements	34,397	46,978	0	46,978	24,513	--	--
151	23744A	Aircraft Modifications	0	18,429	0	18,429	4,832	--	--
152	23745A	Equipment Upgrade	42,291	15,137	0	15,137	4,845	--	--
153	23751A	Special Operations Forces Equipment	43,218	95,472	0	95,472	29,829	0	29,829
154	23752A	Aircraft Engine Component Improvement Program	7,247	6,144	0	6,144	7,744	--	--
155	23801A	Missile/Air Defense Product Improvement Progr	39,678	60,527	0	60,527	64,359	--	--
156	23802A	Other Missile Product Improvement Program	12.022	43,250	0	43,250	25,454	--	--
157	28010A	Joint Tactical Communications Program (TRI-TA	15,140	15,102	0	15,102	13,958	--	--
158	33145A	EUCOM C3 Systems	1,038	1,289	0	1,289	636	--	--
159	63712A	Mapping and Geodesy	0	0	0	0	0	--	--
160	64201A	Aircraft Avionics	2,398	0	0	0	0	--	--
161	64716A	Mapping and Geodesy	266	7,459	0	7,459	6,408	--	--
162	64778A	NAVSTAR Global Positioning System (User Equip	4,539	13.732	0	13.732	8,803	0	8,803
163	31307A	Foreign Science and Technology Center	[ ]	[ ]	0	[ ]	[ ]	--	--
164	31318A	HUMINT (Controlled)	[ ]	[ ]	0	[ ]	[ ]	--	--
165	31327A	Technical Reconnaissance and Surveillance	[ ]	[ ]	0	[ ]	[ ]	--	--
166	31334A	Other Commands GDIP Activities	[ ]	[ ]	0	[ ]	[ ]	--	--
167	31359A	Special Army Program	[ ]	[ ]	0	[ ]	[ ]	--	--
168	33126A	Long-Haul Communications (DCS)	2,591	0	0	0	0	0	0
169	33142A	SATCOM Ground Environment	74,518	86,725	0	86,725	46,694	0	46,694
170	33401A	Communications Security (COMSEC)	7,001	5.217	0	5,217	5,126	--	--
171	63790A	NATO Research and Development	38,464	0	0	0	0	--	--
172	65301A	Kwajalein Missile Range	151,081	170,374	0	170,374	184,957	0	184,957

RDT&E, ARMY

LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	CHANGE FY88 AMOUNT	AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
173	65502A	Small Business Innovative Research	0	0	0	0	0	0	0
174	65601A	Army Test Ranges and Facilities	235,137	199,864	0	199,864	209,732	0	209,732
175	65602A	Army Technical Test Instrumentation and Targe	18,146	84,939	0	84,939	79,182	0	79,182
176	65603A	Army User Test Instrumentation and Threat Sim	39,856	78,332	0	78,332	73,188	0	73,188
177	65702A	Support of Development Testing	17,007	19,309	0	19,309	20,155	0	20,155
178	65706A	Materiel Systems Analysis	21,383	25,179	0	25,179	26,413	0	26,413
179	65709A	Exploitation of Foreign Items	3,838	4,392	0	4,392	4,362	0	4,362
180	65712A	Support of Operational Testing	45,786	54,016	0	54,016	61,484	0	61,484
181	65801A	Programwide Activities	79,320	88,514	0	88,514	87,835	0	87,835
182	65802A	International Cooperative Research and Develo	941	1,093	0	1,093	1,136	0	1,136
183	65803A	Technical Information Activities	4,981	6,285	0	6,285	6,403	0	6,403
184	65805A	Munitions Standardization, Effectiveness and	10,697	14,334	0	14,334	16,185	0	16,185
185	65810A	RDT&E Support for Nondevelopmental Items	7,503	7,842	0	7,842	8,283	0	8,283
186	65872A	Productivity Investments	27,790	38,382	0	38,382	31,576	0	31,576
187	65894A	Real Property Maintenance - RDT&E	154,632	168,485	0	168,485	171,106	0	171,106
188	65896A	Base Operations - RDT&E	188,673	186,087	0	186,087	189,524	0	189,524
189	65898A	Management Headquarters (Research and Develop	11,151	13,372	0	13,372	13,727	0	13,727
190	78011A	Industrial Preparedness	27,995	20,904	0	20,904	22,015	0	22,015
		AH-64 Upgrade	0	0	50,000	50,000	0	--	--
		M-60 Prototype Program	0	0	38,000	38,000	0	--	--
		Ground Launched Hellfire	0	0	5,000	5,000	0	--	--
		20mm FIVAD Ammunition	0	0	1,800	1,800	0	--	--
		Undistributed Reduction	0	0	-125,000	-125,000	0	--	--
		Chem Wpns Convention Compliance Monitor Pgm	0	0	6,800	6,800	0	--	--
999	XXXXXXXXXX	Classified Programs	508,961	905,548	0	905,548	885,839	0	214,120
		TOTAL RDT&E, ARMY	4,711,617	5,511,172	-36,712	5,474,460	5,972,845	24,100	2,869,013

NOTE -- INDICATES NOT AUTHORIZED FOR FY89

The Advanced Technology Light Helicopter program is intended to develop a new generation light helicopter to replace more than 7000 light scout, attack and utility helicopters currently in service in the Army.

While the committee recognizes the need for a timely replacement of its light helicopter fleet, the committee believes an expensive new start at this point of transition in the Army's budget is impractical.

The committee directs the Army to restructure the Advanced Technology Light Helicopter program to develop and demonstrate austere prototype aircraft and validate the Army's light helicopter requirements. The committee cautions the Army that this austere prototype program does not represent an endorsement to proceed with the planned ATLH program at reduced funding levels. The committee believes that any prototype program would be inadequate if it failed to include among prototype aircraft more advanced aircraft designs, such as tiltrotor, X-wing or counter-rotational aircraft.

The committee cautions the Army that no substantial investment in a new-generation helicopter will be justified unless the Army can demonstrate substantially lower investment and operating costs or dramatically improved performance (both aerodynamic and system) with an Advanced Technology Light Helicopter. The committee recommends that $170 million be provided for fiscal year 1988. The Army is directed to submit a revised request for fiscal year 1989.

ARMY MOBILITY RESEARCH AND DEVELOPMENT

The Army requested $35.3 million in fiscal year 1988 and $23.6 million in Fiscal Year 1989 to evaluate existing commercial trucks for use as future light, medium and heavy tactical transports. The Army Mobility program (program element 64604A) consists of two elements. The first would evaluate trucks in the light to medium weight category under the Family of Medium Tactical Vehicle project. The second would examine 16½ ton trucks with palletized loading systems.

The committee strongly endorses action to proceed with an evaluation of commercial trucks. Disputes over the palletized loading system program have disrupted the entire mobility program. To insure that both projects proceed, the committee separated the Army Mobility program into two distinct program elements: the Army Mobility-Medium program element, and the Army Mobility-Heavy program element, with the funds approved at the requested level.

The committee believes the Army plan to introduce competition using performance specifications for these trucks is appropriate. Performance specifications place the burden for technical performance on industry, which is consistent with Packard Commission recommendations. The committee directs that the Army proceed without further delay in introducing this capability through competition of performance specifications.

ADVANCED FIELD ARTILLERY TACTICAL DATA SYSTEM (AFATDS)

The committee is concerned that the Advanced Field Artillery Tactical Data System (AFATDS) is being impeded by continuing pressure on the Army to procure the so-called Lightweight Tacfire system. The committee recognizes that the Army's requirements cannot be met by the Lightweight Tacfire system, and has included a provision (sec. 121(e)) which prohibits procurement of Lightweight Tacfire.

While the Army is developing AFATDS, the Marine Corps has had under development the Marine Integrated Fire and Air Support System (MIFASS). Last year the Congress directed the Department to evaluate the possibility of procuring a single system for the two services. The committee believes that the AFATDS system, with modification, can support the Marine Corps requirements. MIFASS will not support Army requirements, however. Consequently, the committee is persuaded that the MIFASS program should be terminated. Accordingly, no funds are authorized for further development of MIFASS. Should the Secretary determine that MIFASS merits restoration, the committee would consider a request to reprogram funds to continue its development.

ENVIRONMENTAL CONTROL SYSTEM FOR COMBAT VEHICLES

The committee recommends an increase of $5 million in the Combat Vehicle Improvement Program to continue development of a generic nuclear, biological and chemical protection system for combat vehicles and tactical shelters.

ARMY COMMAND AND CONTROL SYSTEM

The committee is concerned that the Army Command and Control System still lacks a program charter and an acquisition strategy. The committee directs the Secretary of the Army to establish both by the end of this fiscal year.

M60 TANK UPGRADE PROTOTYPE PROGRAM

The Army National Guard is seeking to conduct a prototype evaluation of potential combat improvements to the M60 tank. The National Guard has over 3,000 M60 tanks and are scheduled to operate those tanks until the turn of the century. The committee believes it is prudent to explore options for improving the combat performance and survivability of the M60 fleet.

The committee recommends that $38 million be provided for that purpose. The committee directs the Army to prototype four vehicles. Two of the vehicles should be modified with the so-called "fightability" modifications, and two vehicles should be modified with the full proposed modification package, to include the improved armor and mobility features. This prototype approach will provide two alternatives for upgrading the M60. The committee reserves its judgement on the scope of the M60 upgrade until the results of prototype testing are made available.

AH-64 AND UH-60 HELICOPTER UPGRADE

The committee has directed elsewhere that the department provide sufficient resources during the next five years to procure 80 percent of the Army's requirement for AH-64 attack helicopters, and 75 percent of the UH-60 helicopter requirement. The committee believes, however, that the Army should develop improved models of both helicopters. Those improved models should feature changes that lower operating costs as much as changes that improve performance. For purposes of developing those improved models, the committee provided $50 million for the AH-64 and $25 million for the UH-60. The committee believes that the Army should give emphasis to the composite rotor system as the first step in improving the UH-60 helicopter. The Secretary of the Army shall provide the Congress a report on plans to upgrade these helicopters by February 1, 1988.

MULTIPURPOSE 20MM AMMUNITION

The committee recommends a $1.8 million increase to the RDT&E Army account to continue research and development leading to type classification of a 20mm multipurpose projectile which will be used to enhance the capability of the Product Improved Vulcan Air Defense System (PIVADS).

GROUND LAUNCHED HELLFIRE

The committee recommends that $5 million be provided in Fiscal Year 1988 to continue prototype demonstration of a ground-launched Hellfire missile system. The ground-launched Hellfire would provide an effective anti-tank system at low costs in light infantry units and has potential as a future replacement for the Improved TOW Vehicle.

RDT&E, NAVY

LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
1	61103N	University Research Initiatives	8,490	24,572	0	24,572	24,603	0	24,603
2	61152N	In-House Independent Laboratory Research	23.306	22,627	0	22,627	23,763	0	23,763
3	61153N	Defense Research Sciences	322,511	333,602	0	333,602	368,911	0	368,911
4	62111N	Anti-Air Warfare/Anti-Surface Warfare Technol	63,873	66,273	0	66,273	69,100	0	69,100
5	62113N	Electronic Warfare Technology	13,473	14,454	0	14,454	15,098	0	15,098
6	62121N	Surface Ship Technology	13,449	13,624	0	13,624	13,976	0	13,976
7	62122N	Aircraft Technology	19,940	21,318	0	21,318	19,558	0	19,558
8	62131M	Marine Corps Landing Force Technology	15,037	15,915	0	15,915	16,283	0	16,283
9	62232N	Command, Control, and Communications Technolo	19,669	20,352	0	20,352	21,734	0	21,734
10	62233N	Mission Support Technology	31,988	32,290	0	32,290	30,595	0	30,595
11	62234N	Systems Support Technology	63,019	65,601	0	65,601	71,325	0	71,325
12	62314N	ASW Technology	86,642	92,569	0	92,569	94,276	0	94,276
13	62315N	Mine and Special Warfare Technology	13,995	14,909	0	14,909	15,381	0	15,381
14	62323N	Submarine Technology	12,406	14,123	0	14,123	15,477	0	15,477
15	62324N	Nuclear Propulsion	42,156	47,600	0	47,600	50,372	0	50,372
16	62435N	Ocean and Atmospheric Support Technology	24,703	25,727	0	25,727	26,995	0	26,995
17	62936N	Independent Exploratory Development	14,360	15,390	0	15,390	16,979	0	16,979
18	63202N	Avionics	3,599	3,755	0	3,755	3,708	0	3,708
19	63210N	Aircraft Propulsion	3,868	5,886	0	5,886	7,283	--	--
20	63217N	Advanced Aircraft Subsystems	5,524	11,807	0	11,807	21,709	0	21.709
21	63268N	Naval Airship	6,743	45,189	0	45,189	62,376	--	--
22	63303N	Electromagnetic Radiation Source Elimination	7,762	5,865	0	5,865	12,884	0	12,884
23	63508N	Ship Propulsion System	16,572	11,022	0	11,022	24,525	--	--
24	63526N	Advanced Software and Computing Technology	0	0	0	0	0	0	0
25	63573N	Electric Drive	9,352	14,480	10,520	25,000	14,264	--	--
26	63701N	Human Factors Engineering	2,425	4,794	0	4,794	4,912	--	--
27	63706N	Medical Development	11,427	17,445	0	17.445	18,743	0	18,743
28	63707N	Manpower and Personnel Systems	2,855	4,019	0	4,019	5,518	0	5,518
29	63712N	Generic Logistics R&D Technology Demonstratio	17.132	29,400	0	29,400	24,169	0	24,169
30	63720N	Education and Training	4,759	7,699	0	7,699	8,722	0	3,722
31	63732M	Marine Corps Advanced Manpower/Training Syste	1,782	3,214	0	3,214	5,149	0	5,149
32	63733N	Simulation and Training Devices	6,465	8,457	0	8,457	9,532	0	9,532
33	63739N	Navy Logistic Productivity	0	981	0	981	1,476	0	1,476
34	63743N	ARIADNE	8,965	11,062	0	11,062	11.844	--	--
35	63747N	Advanced Anti-Submarine Warfare Technology	22,868	22,759	0	22,759	2,458	--	--
36	63792N	Advanced Technology Transition	14,362	50,638	0	50,638	58,473	0	58,473
37	63311N	Air Defense Initiative	0	47,200	0	47,200	67,400	--	--
38	63451N	Tactical Space Operations	10,320	3,470	0	3,470	5,859	0	5,859
39	63588N	SSBN Survivability	967	7,089	0	7,089	13,926	0	13,926
40	63735N	WWMCCS Architecture Support	0	0	0	0	4,915	--	--
41	64363N	TRIDENT II	1,595,000	1,098,463	0	1,098.463	581,740	--	--
42	65856N	Strategic Technical Support	2,381	3.506	0	3,506	3,508	0	3,508
43	11221N	Fleet Ballistic Missile System	19,135	39,565	0	39,565	54,470	0	54,470

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44	11224N	SSBN Security Technology Program	47,639	39,680	0	39,680	42,476	0	42,476
45	11228N	Trident	34,264	31,595	0	31,595	43,938	0	43,938
46	11401N	Extremely Low Frequency (ELF) Communications	15.468	3,233	0	3,233	3,342	0	3,342
47	11402N	Navy Strategic Communications	91,939	86,445	0	86,445	65,799	0	65,799
48	12427N	Naval Space Surveillance	1,195	693	0	693	711	0	711
49	33131N	Minimum Essential Emergency Communications Ne	1,637	1,048	0	1,048	1,054	0	1,054
50	33152N	World-Wide Military Command and Control Syste	12,225	6,127	0	8,127	5,253	0	5,253
51	63109N	Integrated Aircraft Avionics	20,498	2,375	0	2,375	2,093	--	--
52	63206N	Electronic Warfare Advanced Development	27,718	62,350	0	62.350	46,821	--	--
53	63207N	Air/Ocean Tactical Applications	4,286	13,971	0	13,971	15,909	--	--
54	63208N	T-45 Training System	129,213	96,015	0	96.015	87,822	--	--
55	63216N	Aviation Life Support Systems (Adv)	3,762	3,621	0	3.621	8,683	--	--
56	63219N	Advanced Aircraft Armament System	0	0	0	0	0	--	--
57	63220N	Lift Fan Development	0	0	0	0	2,856	--	--
58	63228N	CV ASW Module	3,106	5,115	0	5,115	5,175	--	--
59	63251N	Aircraft Systems	0	0	0	0	0	--	--
60	63254N	Air ASW	5,333	8,523	0	8,523	9,717	--	--
61	63256N	V-22A	0	3,988	0	3,988	17,909	--	--
62	63257N	A-6F	170,950	124,023	-124,023	0	78,097	--	--
63	63260N	Airborne Mine Countermeasurers	10,680	8,975	0	8,975	12,322	--	--
64	63261N	Tactical Airborne Reconnaissance	22,865	8,570	7,800	16,370	8,631	--	--
65	63262N	Aircraft Survivability and Vulnerability	11,925	15,342	0	15,342	18,569	--	--
66	63306N	Advanced A/L Air-to-Surface Missile System	29,656	37,446	10,000	47,446	26,724	--	--
67	63313N	IRR Maverick	0	482	0	482	0	--	--
68	63315N	Retract Yellow	0	0	0	0	0	--	--
69	63318N	Advanced Air-to-Air/Surface-to-Air Missile	33,312	76,131	0	76,131	102.183	--	--
70	63319N	NATO AAW Systems	0	10,199	0	10,199	8,216	--	--
71	63320N	Low Cost Anti-Radiation Seeker	38,522	14,642	0	14,642	16,870	--	--
72	63321N	Advanced Air-to-Air Missile (AAAM)	0	34,619	0	34,619	87,592	--	--
73	63367N	Sea Lance	0	0	0	0	0	--	--
74	63382N	Battle Group AAW Coordination	6,663	11,476	0	11,476	11,665	--	--
75	63502N	Surface Mine Countermeasures	15,495	15,339	0	15.339	11,876	--	--
76	63504N	Advanced Submarine ASW Development	8,710	8,298	0	8,298	14,775	--	--
77	63506N	Surface Ship Torpedo Defense	17,585	27,339	0	27,339	36,518	--	--
78	63509N	Shipboard Information Transfer System	0	0	0	0	4,017	--	--
79	63512N	Catapults	0	7,357	0	7,357	11,809	--	--
80	63513N	Shipboard System Component Development	9,553	13,966	0	13,966	16,802	--	--
81	63514N	Ship Combat Survivability	26,630	29,426	0	29,426	36,298	--	--
82	63522N	Submarine Arctic Warfare Support Equipment Pr	2,804	2,008	0	2,008	3,474	--	--
83	63525N	PILOT FISH	71,841	74,459	0	74,459	59,851	0	59,851
84	63527N	RETRACT LARCH	0	92,886	0	92,886	228,905	--	--
85	63528N	Non-Acoustic Anti-Submarine Warfare (ASW)	20,255	20,397	0	20,397	20,818	--	--
86	63529N	Advanced ASW Target	10,263	13,670	0	13,670	11,529	--	--

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87	63532N	Ship Systems Engineering Standards	0	0	0	0	0	--	--
88	63536N	RETRACT JUNIPER	23,125	30,672	0	30,672	38,322	0	38,322
89	63542N	Radiological Control	1,261	2,925	0	2,925	3,341	--	--
90	63550N	LINK DOGWOOD	2,000	0	0	0	0	--	--
91	63553N	Surface ASW	19,336	21,073	0	21,073	31,100	--	--
92	63560N	Submarine Hull Array Development (Adv)	8,615	0	0	0	0	--	--
93	63561N	Advanced Submarine System Development	0	0	0	0	0	--	--
94	63562N	Submarine Tactical Warfare Systems	9,759	9,035	0	9,035	9,410	--	--
95	63564N	Ship Development	10,219	10,379	0	10,379	11,266	--	--
96	63565N	Surface Ship Navigation System	940	0	0	0	0	--	--
97	63569N	Attack Submarine Development	0	12,899	0	12,899	24,028	--	--
98	63570N	Advanced Nuclear Reactor Components System De	93,175	91,360	0	91,360	87,617	--	--
99	63571N	Physical Security	5,507	8,699	0	8,699	6,479	--	--
100	63576N	CHALK EAGLE	75,628	89,451	0	89,451	99,631	0	99,631
101	63577N	Shipboard Laser Weapon	0	1,432	0	1,432	2,874	--	--
102	63578N	A4W/A1E Nuclear Propulsion Plant	3,308	0	0	0	0	--	--
103	63582N	Combat System Integration	14,362	10,109	0	10,109	10,467	--	--
104	63591N	Joint Advanced Systems	128,499	231,550	0	231,550	236,620	--	--
105	63601N	Mine Development	12,808	17,382	6,654	24,036	29,523	--	--
106	63602N	CHALK PINE	42,408	189,495	0	189,495	273,744	--	--
107	63609N	Conventional Munitions	29,697	34,014	0	34,014	36,902	--	--
108	63610N	Advanced Warhead Development	0	0	0	0	7,686	--	--
109	63611M	Marine Corps Assault Vehicles	8,535	12,206	0	12,206	13,497	--	--
110	63634N	Tactical Nuclear Weapons Development	7,676	11,499	0	11,499	19,375	--	--
111	63635M	Marine Corps Ground Combat/Support System	14,561	7,926	0	7,926	9,410	--	--
112	63654N	Joint Service Explosive Ordnance Development	13,658	11,643	0	11,643	12,412	--	--
113	63702N	Ocean Engineering Systems Development	1,374	1,503	0	1,503	1,901	--	--
114	63704N	ASW Oceanography	9,368	7,430	0	7,430	10,120	--	--
115	63708N	ASW Signal Processing	15,812	18,431	0	18,431	13,851	--	--
116	63709N	Advanced Marine Biological System	5,224	5,711	0	5,711	6,286	--	--
117	63711N	Fleet Tactical Development and Evaluation Pro	3,949	4,800	0	4,800	6,127	--	--
118	63713N	Ocean Engineering Technology Developments	12,920	13,661	0	13,661	16,108	--	--
119	63717N	Command and Control Systems	0	0	0	0	0	--	--
120	63719N	Container Off-Loading and Transfer System (CO	2,811	1,528	0	1,528	0	--	--
121	63722N	Naval Special Warfare	20,848	19,943	0	19,943	20,706	--	--
122	63724N	Navy Energy Program	15,678	7,721	0	7,721	8,839	--	--
123	63725N	Facilities Improvement	8,209	9,957	0	9,957	4,185	--	--
124	63726N	Merchant Ship Naval Augmentation Program	0	3,006	0	3,006	3,530	--	--
125	63729M	Marine Corps Combat Services Support	13,287	13,373	0	13,373	24,418	--	--
126	63734N	Defense Suppression	11,831	4,546	0	4,546	4,524	--	--
127	63737N	LINK HAZEL	17,043	11,500	0	11,500	6,800	--	--
128	63740N	LINK LAUREL	42,166	53,843	0	53,843	59,672	0	59,672
129	63743N	ARIADNE	0	0	0	0	0	--	--

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130	63744N	LINK SPRUCE	67,743	283,855	0	283,855	311,707	--	--
131	63746N	RETRACT MAPLE	55,575	65,028	0	65,028	50,897	0	50,897
132	63748N	LINK PLUMERIA	0	14,080	0	14,080	11,529	0	11,529
133	63750N	CHALK WEED	0	8,819	0	8,819	10,014	--	--
134	63751N	RETRACT ELM	0	39,041	0	39,041	41,039	0	41,039
135	63752N	CHALK POINSETTIA	0	15,000	0	15,000	25,000	--	--
136	63763N	Warfare Systems Architecture and Engineering	5,699	0	0	0	0	--	--
137	63764N	LINK EVERGREEN	0	74,228	0	74,228	118,338	--	--
138	63784N	Fixed Distribution Systems	33,301	75,997	0	75,997	112,039	--	--
139	63785N	Anti-Submarine Warfare Environmental Acoustic	10,708	13,495	0	13,495	13,920	--	--
140	63787N	Special Processes	38,775	40,423	0	40,423	38,173	0	38,173
141	64203N	Standard Avionics Development	11,819	16,836	0	16,836	17,445	--	--
142	64211N	IFF System Development	22,474	36,201	0	36,201	33,866	--	--
143	64212N	LAMPS	18,882	16,920	0	16,920	6,171	--	--
144	64213N	Helicopter Development	5,800	11,226	6,000	17,226	12,595	--	--
145	64214N	AV-8B Aircraft (Engineering)	44,508	13,052	0	13,052	11,404	--	--
146	64215N	Support Equipment	26,364	72,942	0	72,942	64,307	--	--
147	64217N	S-3 Weapon System Improvement	9,747	0	0	0	0	--	--
148	64219N	Airborne ASW Developments	1,228	0	0	0	0	--	--
149	64221N	P-3 Modernization Program	54,441	126,902	0	126,902	152,145	--	--
150	64224N	Airborne Electronic Warfare - Eng	30,313	32,010	0	32,010	37,384	--	--
151	64226N	Advanced Self-Protection System	27,195	16,427	0	16,427	6,324	--	--
152	64229N	Carrier Inner Zone ASW Helicopter	3,975	581	0	581	0	--	--
153	64252N	Aircraft Propulsion	23,975	289	0	289	1,999	--	--
154	64255N	Electronic Warfare Simulator Development	37,981	41,103	0	41,103	43,401	--	--
155	64260N	C/MH SDE	1,563	20,124	0	20,124	9,228	--	--
156	64261N	Acoustic Search Sensors	34,555	47,859	0	47,859	55,385	--	--
157	64262N	V-22	422,671	465,662	10,000	475,662	306,677	--	--
158	64264N	Aviation Life Support Systems (Eng)	24,099	22,308	0	22,308	18,905	--	--
159	64268N	Aircraft Engine Component Improvement Program	43,319	35,832	0	35,832	37,267	--	--
160	64301N	MK 92 Fire Control System Upgrade	3,762	3,516	0	3,516	2,974	--	--
161	64303N	AEGIS Area Air Defense	4,104	7,384	0	7,384	9,267	--	--
162	64307N	AEGIS Combat System Engineering	114,412	90,420	0	90,420	46,162	--	--
163	64308N	LINK ASH	8,582	0	0	0	0	--	--
164	64309N	SEA LANCE	109,701	114,341	0	114,341	113,518	--	--
165	64314N	Advanced Medium Range Air-to-Air Missile	5,174	27,191	0	27,191	13,960	--	--
166	64353N	Vertical Launching System	14,862	0	0	0	0	--	--
167	64354N	Air-to-Air Missile Systems Engineering	21,438	22,197	0	22,197	23,954	--	--
168	64355N	Vertical Launch ASROC	39,836	18,475	26,500	44,975	5,670	--	--
169	64358N	Close-In Weapon System (PHALANX)	5,256	7,648	0	7,648	11,416	--	--
170	64361N	NATO SEA SPARROW	2,700	4,707	0	4,707	6,020	--	--
171	64365N	SM-2 (N)	0	0	0	0	0	--	--
172	64366N	Standard Missile Improvements	44,085	40,416	0	40,416	45,007	--	--

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173	64367N	TOMAHAWK	59,290	47,436	0	47,436	46,699	0	--
174	64369N	S'Rolling Air Frame Missile	23,230	14,172	0	14,172	10,047	--	--
175	64370N	SSN-688 Class Vertical Launch Systm	11,586	21,395	0	21,395	14,388	--	--
176	64372N	New Threat Upgrade	41,223	29,945	0	29,945	13,196	--	--
177	64502N	Submarine Communications	3,723	3,451	0	3,451	4,476	--	--
178	64503N	Submarine Sonar Development	46,368	34,518	0	34,518	37,084	--	--
179	64504N	Air Control	7,104	17,314	0	17,314	19,663	--	--
180	64506N	Chemical Warfare Countermeasures	4,935	5,839	0	5,839	8,702	0	8,702
181	64507N	EMSP	91,772	69,467	0	69,467	29,367	--	--
182	64508N	Radar Surveillance Equipment	7,444	8,419	0	8,419	10,702	--	--
183	64510N	Communications Systems	0	0	0	0	0	--	--
184	64511N	Intelligence Systems	0	31,114	0	31,114	21,916	--	--
185	64515N	Submarine Support Equipment Program	16,462	20,633	0	20,633	15,728	--	--
186	64516N	Ship Survivability	6,400	7,892	0	7,892	6,445	--	--
187	64518N	Combat Information Center Conversion	30,167	27,824	0	27,824	30,822	--	--
188	64522N	Submarine Hull Array Development (Eng)	0	0	0	0	0	--	--
189	64524N	Submarine Combat System	284,949	342,532	0	342,532	392,584	--	--
190	64561N	SSN-21 Developments	240,556	213,242	0	213,242	195,000	--	--
191	64562N	Submarine Tactical Warfare System	40,398	43,300	0	43,300	45,165	--	--
192	64563N	Physical Security (Engineering)	5,114	11,154	0	11,154	12,486	--	--
193	64567N	Ship Subsystem Development/Land Based Test Si	77,849	70,414	0	70,414	74,009	--	--
194	64569N	NATO Sea GNAT	0	0	0	0	0	--	--
195	64573N	Shipboard Electronic Warfare Improvements	42,527	40,193	0	40,193	48,529	--	--
196	64574N	Standard Embedded Computer Resources	17,254	29,397	0	29,397	35,412	--	--
197	64575N	AN/SQS-53C	24,311	11,427	0	11,427	8,418	--	--
198	64578N	Link Birch	3,810	5,296	0	5,296	1,922	--	--
199	64601N	Mine Development	12,307	10,587	4,000	14,587	10,937	--	--
200	64602N	Gun Ammunition Improvement	9,356	10,266	0	10,266	14,016	--	--
201	64603N	Unguided Conventional Air-Launched Weapons	3,347	3,183	0	3,183	6,367	--	--
202	64604N	Chemical Warfare Weapons	970	0	0	0	0	0	0
203	64606N	Surface Electro-Optical Systems	15,476	14,311	0	14,311	5,860	--	--
204	64609N	Bomb Fuze Improvement	9,386	8,781	0	9,781	4,844	--	--
205	64610N	Advanced Lightweight Torpedo (ENG)	172,994	85,172	69,000	154,172	12,622	--	--
206	64654N	Joint Service Explosive Ordnance Development	5,159	5,432	0	5,432	5,379	--	--
207	64656N	Marine Corps Assault Vehicles	0	16,035	0	16,035	15,267	--	--
208	64657N	Marine Corps Ground Combat/Supporting Arms Sy	1,973	4,640	0	4,640	4,939	--	--
209	64675N	MK 48 ADCAP (Engineering)	58,000	32,230	0	32,230	30,300	--	--
210	64704N	Anti-Submarine Warfare Oceanographic Equipmen	1,127	1,146	0	1,146	1,245	--	--
211	64705N	CHALK BANTAM	13,000	28,613	0	28,613	7,861	--	--
212	64707N	Theatre Mission Planning Center	17,052	28,342	0	28,342	16,770	0	16,770
213	64708N	Initial Trainer Acquisition	66,625	112,030	0	112,030	70,507	--	--
214	64710N	Navy Energy Program	8,427	4,390	0	4,390	4,929	--	--
215	64711N	Navy Command and Control Systems (NCCS) Ashor	0	0	0	0	0	--	--

ANTI-SURFACE WARFARE TORPEDO

The Navy is testing and evaluating the Anti-Surface Warfare Torpedo. The results of these tests are to be reported to the Congress. Should these results justify follow-on test and evaluation, a total of not more than $10.0 million, of funds otherwise available, is authorized for procurement of test units for follow-on test and evaluation and initial operational units for fleet delivery.

ELECTRIC DRIVE

The administration requested $14.5 million in fiscal year 1988 for the electric drive research and development program (program element 63573N).

The committee has funded regularly for a number of years the Navy's advanced electric drive program for ship propulsion. The program, in a balanced way, has pursued several techniques for achieving higher efficiencies and, thus, greater power densities in electric power generation, transmission and application equipments. The effort to achieve superconductivity through reasonably manageable means in an operational environment has been one focus within the program. As a result of this activity, a mature organization exists with relevant experience and operational focus to pursue the investigation, development, and application of recently created super conducting materials as they apply outside the areas of electronics and computers. With its long history of leadership and success in managing technology innovation and because of its existing, electric drive program, the Navy is uniquely positioned for rapid response to application of superconductor advances.

The committee recommends authorization of $25.0 million, an increase of $10.5 million to the request, in fiscal year 1988 for Research, Development, Test and Evaluation of the Navy's electric drive program to begin to investigate, develop, and apply improved superconductors for ship propulsion. It is the belief of the committee that this important work will have far-reaching effects for the Nation as well as the armed services. The Navy is commended for its vision and foresight in having a mature program ready to manage a transition from laboratory to important operational applications of improved superconductors. Such management is a special task which the committee will follow with keen interest and attention.

TRIDENT II PROGRAM

The committee included a provision on milestone authorization (sec. 241) of Trident II missile RDT&E that precludes the Secretary of the Navy from applying any undistributed reductions to the research, development, testing and evaluation of the Trident II missile. The request as submitted is approved, and these monies may not be used for any other purpose.

AIR-TO-SURFACE MISSILE SYSTEM

The committee increased the Navy's request for the Advanced Air Launched Air-to-Surface Missile System research and development program by $10 million. Of the increase $5.0 million will accelerate the improved Skipper program and the remainder will accelerate the Advanced Interdiction Weapon System.

CAPTOR IMPROVEMENTS

The committee recommends authorizing an increase of $6.654 million for the Navy's Mine Development program (program element 63601N). The committee takes this action in recognition of qualitative improvements in Soviet submarines, especially in the areas of noise reduction and combat survivability.

The committee intends that these additional funds be used to improve the warhead lethality and detection sensitivity of the CAPTOR mine.

HELICOPTER DEVELOPMENT

The administration requested $11.2 million in fiscal year 1988 for helicopter development (program element 64213N). The committee recommends authorization of $17.2 million for helicopter development. The proposed increase of $6.0 million is for research and development of the AH–1 helicopter night targeting system.

AV–8B PEGASUS ENGINE

Last year, the Authorization Conference directed that $8.0 million of appropriated research and development funds be designated for an improvement to the AV–8B engine. Information has been received which indicates that the Navy is pursuing an engineering change proposal to the existing AV–8B Pegasus engine and has adopted a commercial acquisition strategy utilizing procurement funds. The committee believes this to be an appropriate acquisition objective and supports this initiative. The upgraded Pegasus engine offers a two-fold increase in engine life, better reliability, and improved performance. The committee recognizes that the $8.0 million in fiscal year 1987, which was intended for an AV–8B engine upgrade, is no longer required and recommends the restoration of these funds to the AV–8B engineering program element for its originally intended purpose. Additionally, the committee recommends that section 203(b) of the National Defense Authorization Act for Fiscal Year 1987 be repealed.

F–18 TACTICAL RECONNAISSANCE PROGRAM

The committee added $7.8 million to the Navy's Tactical Airborne Reconnaissance program (program element 63261N). The additional funds will accelerate by two years the installation of the Advanced Tactical Air Reconnaissance System on Marine Corps F–18s.

V–22

The administration requested $465.7 million in fiscal year 1988 for research and development of the V–22 aircraft (program element 64262N).

The V–22 is a tilt-rotor, amphibious assault aircraft that will utilize the T–406 engine. Recently, it has come to the attention of the committee that improvements could be made to the T–406 engine that would allow better fuel economy, reliability, and maintainability. These improvements, if accelerated, would allow incorporation of an upgraded T-406 engine 2 to 3 years earlier than the current schedule proposes. The committee recommends accelerating the upgrading of the T-406 to ensure the earliest possible operational employment of the upgraded engine and avoid additional retrofit and operating costs.

The committee recommends an authorization of $475.7 million in fiscal year 1988 for research and development of the V-22 aircraft. The additional $10.0 million shall be available only for the T-406 engine improvement program. Additionally, funds authorized for the V-22 program shall not be subjected to reprogramming or undistributed reductions.

VERTICALLY LAUNCHED ANTISUBMARINE ROCKET

The administration requested $18.5 million in fiscal year 1988 for RDT&E of the Vertically Launched Antisubmarine Rocket (ASROC) (program element 64355N).

The Vertically Launched ASROC program has encountered development problems. The committee, therefore, recommends additional funding of $26.5 million to restructure the program.

The committee recommends authorization of $45.0 million for RDT&E for the Vertically Launched ASROC.

MINE DEVELOPMENT

The administration requested $10.6 million in fiscal year 1988 in RDT&E for the mine development program (program element 64601N).

The committee recommends authorization of $14.6 million for the mine development program. This proposed increase of $4 million is for development of the SQQ-32 minehunting sonar which will be installed on the MCM-1 class mine countermeasures ships and the MHC-1 class coastal minehunter ships.

MK-50 ADVANCED LIGHTWEIGHT TORPEDO

The administration requested $85.2 million in fiscal year 1988 for RDT&E of the Advanced Lightweight Torpedo (program element 64610N).

The Advanced Lightweight Torpedo program has encountered development problems. The committee, therefore, recommends additional funding of $69.0 million to restructure the program.

The committee recommends authorization of $154.2 million for RDT&E of the Advanced Lightweight Torpedo.

NAVAL OCEANOGRAPHY PROGRAM

The committee is concerned that antisubmarine warfare (ASW) improvements in the future will depend upon better and more accurate oceanographic information and forecasting ability. The committee this year has taken steps to strengthen our oceanographic capabilities both in research and in the operational fields.

The committee notes the progress being made by the Navy in establishing the Institute for Naval Oceanography in Bay St. Louis, Mississippi. This is an important step in developing a world-class oceanographic capability for the United States using both the in-house capabilities of the Navy and the finest oceanographic talent found in our university and civilian activities.

The Naval Oceanography Program, a 5-year research and development program initiated in fiscal year 1986, is designed to analyze and model the three dimensional underwater acoustic field on a local and regional basis. Significant progress has been accomplished in this area and Naval Oceanography Program models and analysis products are commencing to have Navy impact.

The committee recommends authorization of $3.0 million for continuation of this important program.

ADVANCED DEEP WATER ASW MINE

The committee recommends authorization of $1.9 million for development of a new deep water antisubmarine warfare mine. The committee takes this action in recognition of the fact that production has ceased on the only deep water ASW mine in the U.S. inventory and that current and future requirements dictate the need to address this warfare area. The Navy is directed to report to the Congress, not later than January 1, 1988, on the steps it is taking to develop a new and advanced mine for deep water ASW which is to be a complement to, and not a replacement for, the CAPTOR mine. The committee makes this determination after examining the Navy's inventory requirements for deep water ASW mines and in light of advances which potential adversaries have made in the area of submarine and antisubmarine warfare.

OCEANOGRAPHIC AND METEOROLOGICAL INSTRUMENTATION

A center for oceanographic and meteorological instrumentation would be established at the Woods Hole Oceanographic Institution (WHOI). The task to be addressed by this facility would be the development of state-of-the-art instrumentation for at-sea measurements of oceanographic and meteorological variables and the calibration, preparation for use at sea, and debriefing after deployment of those instruments. In the next decade large national research programs will mount efforts to investigate the coupled behavior of the ocean and the atmosphere, with particular interest in determining the role of the ocean in weather and climate. Ongoing research will also be directed at understanding the ocean and marine atmosphere in order to interpret the data soon to be available from satellites and in support of national security. A key element that must be available to these programs if significant progress is to be made will be the availability of high quality, in-situ measurements of ocean current, temperature, and density fields and of wind velocity, barometric pressure, air temperature, solar and long wave radiation, and relative humidity in the atmosphere just above the sea surface. The WHOI has for many years been at the forefront of seagoing research and had the capability to deploy moored and drifting oceanographic and meteorological instrumentation anywhere in the world. This facility will ensure that the institution will be able to match its seagoing capabilities with the modern instrumentation and related facilities required to provide high quality observation.

The oceanographic and meteorological instrumentation development, calibration and deployment facility to be developed at WHOI would include electronic test equipment, calibration baths and chambers, and specialized equipment needed to fabricate and test oceanographic bouys and moorings. Development efforts would center around providing the facilities needed to initiate a program to replace the nearly twenty year old instruments now used for most oceanographic and meteorological measurements with more capable and cost effective technologies. Calibration facilities would include large salt chambers where humidity and temperature can be controlled; at present such facilities do not exist in spite of the critical and pressing need for them. The deployment of instrumentation at sea requires special bouys and mooring components. New fiber optic and electromechanical cable technologies must soon be integrated into future moorings to permit real-time telemetry of oceanographic and meteorological data; new mooring construction and deployment-related equipment and the new WHOI facility would permit these advances.

The committee recommends authorization of $2 million in the Navy RDT&E account, for the upgrade of the facilities at the Woods Hole Oceanographic Institution (WHOI) for oceanographic and meteorological instrumentation.

ELECTROMAGNETIC PULSE RADIATION ENVIRONMENT SIMULATOR FOR SHIPS

Public Law 99-661 contained a provision directing the Secretary of the Navy not to carry out a demonstration test of an electromagnetic pulse in the Chesapeake Bay in connection with the Electromagnetic Pulse Radiation Environment Simulator Program for Ships (EMPRESS II) during fiscal year 1987. The committee has been informed that the potential environmental effects of the EMPRESS II program are still uncertain and, therefore, directs that the prohibition for fiscal year 1987 be continued through the end of fiscal year 1988.

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
216	64713N	Surface ASW System Improvement	15,606	27,279	0	27,279	48,674	--	--
217	64714N	Air Warfare Training Devices	0	1,927	0	1,927	1,919	--	--
218	64715N	Surface Warfare Training Devices	23,412	17.198	0	17,198	22,441	--	--
219	64717N	Marine Corps Combat Services Support	4,765	19,836	0	19,836	22,599	--	--
220	64718N	Marine Corps Intelligence/Electronics Warfare	7,465	13,306	0	13,306	1,093	--	--
221	64719N	Marine Corps Command/Control/Communications S	3,937	20,037	0	20,037	20,645	--	--
222	64721N	Battle Group Passive Horizon Extension System	0	17,230	0	17,230	13,171	--	--
223	64725N	Regional Tactical Surveillance	0	0	0	0	0	--	--
224	64761N	Intelligence	6,185	3,953	0	3,953	4,842	--	--
225	64763N	LINK CYPRESS	0	169,217	0	169,217	243,498	--	--
226	64771N	Medical Developments	2,423	3,544	0	3,544	3,075	--	--
227	64779N	Joint Interoperability of Tactical Command &	0	0	0	0	0	--	--
228	64780N	JINTACCS MC	2,827	2,015	0	2,015	1,378	--	--
229	65803N	Electro-Magnetic Spectrum Management	3,784	6,593	0	6,593	6,465	--	--
230	65853N	Management and Technical Support	9,374	12,329	0	12,329	14,157	--	--
231	65867N	C2 Surveillance/Reconnaissance Support	4,908	6,456	0	6,456	7,867	--	--
232	24134N	A-6 Squadrons	11,684	2,773	0	2,773	8,500	--	--
233	24136N	F/A-18 Squadrons	31,659	17,316	0	17,316	19,897	--	--
234	24152N	Early Warning Aircraft Squadrons	32,957	33,369	0	33,369	24,852	--	--
235	24161N	Aviation Support CVW	970	7,303	0	7,303	9,999	--	--
236	24163N	Fleet Telecommunications (Tactical)	10,954	8,219	0	8,219	1,405	--	--
237	24311N	Undersea Surveillance Systems	22,549	30,576	0	30,576	43,412	--	--
238	24313N	Ship-Towed Array Surveillance Systems	5,552	6,226	0	6,226	4,447	--	--
239	24571N	Special Projects	9,640	13,978	0	13,978	7,465	--	--
240	24573N	Navy Cover and Deception Program	9,766	6,762	0	6,762	5,392	--	--
241	24575N	Electronic Warfare (EW) Readiness Support	2,049	6,458	0	6.458	6,168	--	--
242	24576N	Counter C3 Development	9,548	9,797	0	9,797	12,847	--	--
243	25601N	HARM Improvement	2,234	0	3,800	3,800	0	--	--
244	25620N	ASW Combat Systems Integration	14,638	14,399	0	14,399	14,931	--	--
245	25633N	Aircraft Equipment Reliability/Maintenance Pr	1,896	2,032	0	2,032	458	--	--
246	25634N	Submarine Silencing	0	0	0	0	0	--	--
247	25658N	Laboratory Fleet Support	5,876	5,511	0	5,511	5,877	--	--
248	25667N	F-14 Upgrade	263,950	184,770	0	184,770	143,904	--	--
249	25670N	Tactical Intelligence Processing	2,396	2,081	0	2,081	2,155	--	--
250	25674N	Electronic Warfare Counter Response	50,104	54,613	0	54,613	26,523	--	--
251	25675N	Operational Reactor Development	18,310	35,497	0	35,497	39,587	0	39,587
252	26313N	Marine Corps Telecommunications	7,658	8,306	0	8,306	8,895	--	--
253	26623N	Marine Corps Ground Combat/Supporting Arms Sy	58,156	56,485	0	56,485	44,136	--	--
254	26624N	Marine Corps Combat Services Support	2,473	4,996	0	4,996	2,559	--	--
255	26625N	Marine Corps Intelligence/Electronics Warfare	21,771	15,299	0	15,299	32,725	--	--
256	26626N	Marine Corps Command/Control/Communications S	24,950	25,164	-4,754	20,410	25,063	--	--
257	26627N	Marine Corps Technical Support Command and Co	6,188	0	0	0	0	--	--
258	27316N	TACIT RAINBOW	0	14,689	0	14,689	5,896	--	--

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
259	28010N	Joint Tactical Communications Program (TRI-TA	5,705	4,601	0	4,601	2,850	--	--
260	63518N	Advanced Navigation Development	0	0	0	0	0	--	--
261	63783N	Integrated Platform Communications Developmen	47,245	0	0	0	0	--	--
262	64230N	Warfare Support Systems	45,988	46,517	0	46,517	35,786	--	--
263	64231N	Tactical Command Systems	46,622	42,337	0	42,337	29,728	--	--
264	64232N	Transfer Support Systems	185,509	384,206	0	384,206	305,748	--	--
265	64514N	Navigation Systems	650	2,645	0	2,645	2,850	0	2,850
266	64577N	EHF SATCOM	0	0	0	0	0	0	0
267	64777N	NAVSTAR GPS	64,724	79,891	0	79,891	75,578	0	75,578
268	65866N	Navy Command and Control Top Level Warfare Re	0	4,720	0	4,720	4,806	--	--
269	31303N	Field Operational Intelligence Office	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
270	31326N	PRAIRIE SCHOONER	[ ]	[ ]	-6,000	[ ]	[ ]	0	[ ]
271	31327N	Technical Reconnaissance and Surveillance	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
272	33109N	Satellite Communications	0	0	0	0	0	0	0
273	33401N	Communications Security (COMSEC)	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
274	33603N	Milstar Satellite Communications System	4,011	4,600	0	4,600	4,800	0	4,800
275	34111N	Special Activities	[ ]	[ ]	-25,000	[ ]	[ ]	0	[ ]
276	63721N	Environmental Protection	7,975	8,882	0	8,882	7,403	--	--
277	63790N	NATO Research and Development	31,289	0	0	0	0	--	--
278	64208N	Range Instrumentation Systems Development (RI	10,942	8,893	0	8,893	7,529	0	7,529
279	64218N	Air/Ocean Equipment Engineering	1,393	2,156	0	2,156	2,904	0	2,904
280	64258N	Target Systems Development	90,765	95,644	0	95,644	103,201	0	103,201
281	64703N	Personnel, Training, Simulation, and Human Fa	950	3,107	0	3,107	3,980	0	3,980
282	65151M	Studies and Analysis Support - MC	1,757	1,929	0	1,929	2,101	0	2,101
283	65152N	Studies and Analysis Support - Navy	5,900	5,410	0	5,410	5,896	0	5,896
284	65153M	Marine Corps Operations Analysis Group, CNA	3,872	4,454	0	4,454	4,517	0	4,517
285	65154N	Center for Naval Analyses	18,670	19,880	0	19,880	21,532	0	21,532
286	65155N	Fleet Tactical Development and Evaluation	14,322	16,885	0	16,885	16,484	0	16,484
287	65156M	Marine Corps Operational Test and Evaluation	1,699	1,311	0	1,311	1,490	0	1,490
288	65502N	Small Business Innovative Research	0	0	0	0	0	0	0
289	65804N	Technical Information Services	2,467	2,697	0	2,697	3,362	0	3,362
290	65852N	Atlantic Undersea Test and Evaluation Center	0	0	0	0	0	0	0
291	65854M	Marine Corps Development Center Support	5,061	13,145	0	13,145	13,484	0	13,484
292	65857N	International RDT&E	925	4,014	0	4,014	3,974	0	3,974
293	65859N	Mobile Sea Range	0	0	0	0	0	0	0
294	65861N	RDT&E Laboratory and Facilities Management Su	49,892	52,665	0	52,665	55,529	0	55,529
295	65862N	RDT&E Instrumentation and Materiel Support	21,927	41,835	0	41,835	30,241	0	30,241
296	65863N	RDT&E Ship and Aircraft Support	73,890	92,944	0	92,944	94,171	0	94,171
297	65864N	Test and Evaluation Support	303,781	325,343	0	325,343	336,526	0	336,526
298	65865N	Operational Test and Evaluation Capability	6,677	8,953	0	8,953	8,791	0	8,791
299	65871M	Marine Corps Tactical Exploitation of Nationa	824	979	0	979	1,080	0	1,080
300	65872N	Productivity Investments	0	3,283	0	3,283	263	0	263
301	35111N	Weather Service	842	969	0	969	886	0	886

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
302	35160N	Defense Meteorological Satellite Program (DMS	12,497	4,107	0	4,107	2,280	0	2,280
303	78011N	Industrial Preparedness	29,941	43,393	0	43,393	45,952	0	45,952
	XXXXXXXXXX	Undistributed Reduction	0	0	-223,072	-223,072	0	--	--
	XXXXXXXXXX	Naval Oceanographic Program	0	0	3,000	3,000	0	--	--
	XXXXXXXXXX	Advanced Deep Water ASW Mine Development	0	0	1,900	1,900	0	--	--
	XXXXXXXXXX	Woods Hole Ctr for Oceano and Meteoro Inst	0	0	2,000	2,000	0	--	--
999	XXXXXXXXXX	Classified Programs	454,252	563,146	0	563,145	517,943	46,000	563,943
		TOTAL RDT&E, NAVY	9,352,928	10,490,412	-221,675	10,268,737	10,044,819	46,000	3,182,370

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988			FY1989		
				REQUEST FY88 AMOUNT	CHANGE FY88 AMOUNT	AUTH FY88 AMOUNT	REQUEST FY89 AMOUNT	CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
1	61101F	In-House Laboratory Independent Research	15,125	15,653	0	15,653	16,733	0	16,733
2	61102F	Defense Research Sciences	199,626	191,762	0	191,762	204,196	0	204,196
3	61103F	University Research Initiatives	8,543	19,536	0	19,536	24,593	0	24,593
4	62101F	Geophysics	38,257	39,523	0	39,523	42,436	0	42,436
5	62102F	Materials	50,948	62,676	0	62,676	63,064	0	63,064
6	62201F	Aerospace Flight Dynamics	65,806	70,087	0	70,087	72,059	0	72,059
7	62202F	Aerospace Biotechnology	46,332	47,939	0	47,939	54,996	0	54,996
8	62203F	Aerospace Propulsion	59,723	71,233	0	71,233	69,733	0	69,733
9	62204F	Aerospace Avionics	60,159	65,975	0	65,975	73,073	0	73,073
10	62205F	Training and Simulation Technology	32,475	35,937	0	35,937	36,820	0	36,820
11	62206F	Civil Engineering and Environmental Quality	6,757	5,678	0	5,678	6,046	0	6,046
12	62302F	Rocket Propulsion	38,251	43,339	0	43,339	44,283	0	44,283
13	62601F	Advanced Weapons	35,076	37,027	0	37,027	37,304	0	37,304
14	62602F	Conventional Munitions	39,621	43,041	0	43,041	46,846	0	46,846
15	62702F	Command Control and Communications	75,819	82,260	0	82,260	84,061	0	84,061
16	63106F	Logistics Systems Technology	10,740	12,747	0	12,747	19,645	0	19,645
17	63109F	INEWS/ICNIA	103,227	83,300	0	83,300	40,958	--	--
18	63202F	Aircraft Propulsion Subsystem Integration	26,127	23,646	0	23,646	27,825	--	--
19	63203F	Advanced Avionics for Aerospace Vehicles	41,900	36,635	0	36,635	41,643	0	41,643
20	63205F	Flight Vehicle Technology	21,657	27,229	0	27,229	29,260	0	29,260
21	63211F	Aerospace Structure and Materials	25,242	28,068	0	28,068	33,348	0	33,348
22	63216F	Advanced Turbine Engine Gas Generator	28,884	33,719	0	33,719	37,823	0	37,823
23	63220F	DoD Common Programming Language (Ada) Advance	6,727	15,673	0	15,673	30,552	0	30,552
24	63227F	Advanced Simulator Technology	7,475	10,902	0	10,902	12,743	0	12,743
25	63231F	Crew Systems Technology	19,504	23,252	0	23,252	24,700	0	24,700
26	63245F	Advanced Fighter Technology Integration	25,182	29,734	0	29,734	32,904	--	--
27	63248F	Concept Development	966	4,785	0	4,785	6,259	0	6,259
28	63250F	Lincoln Laboratory	18,041	24,760	0	24,760	26,655	0	26,655
29	63253F	Advanced Integration Avionics	3,091	16,676	0	16,676	15,042	0	15,042
30	63269F	National Aero Space Plane Technology Program	0	236,039	-36,000	200,039	306,238	--	--
31	63302F	Space and Missile Rocket Propulsion	5,706	8,973	0	8,973	12,208	0	12,208
32	63319F	Advanced Technology Cruise Missile		0	0	0	0	0	0
33	63363F	Hypervelocity Missile	9,302	11,626	0	11,626	7,783	--	--
34	63401F	Advanced Spacecraft Technology	8,756	8,433	0	8,433	10,183	0	10,183
35	63410F	Space Systems Environmental Interactions Tech	3,534	3,825	0	3,825	3,934	0	3,934
36	63452F	Very High Speed Integrated Circuits	123,860	101,413	0	101,413	58,127	0	58,127
37	63601F	Conventional Weapons	24,291	25,021	0	25,021	31,319	--	--
38	63605F	Advanced Radiation Technology	23,302	29,676	46,000	75,676	34,766	0	34,766
39	63707F	Weather Systems - Adv Dev	3,187	5,276	0	5,276	5,838	0	5,838
40	63723F	Civil and Environmental Engineering Technolog	13,318	11,342	0	11,342	11,324	0	11,324
41	63726F	Fiber Optics Development	6,360	8,600	0	8,600	9,634	0	9,634
42	63728F	Advanced Computer Technology	9,235	5,128	0	5,128	12,249	0	12,249
43	63743F	Electronic Combat Technology	37,653	41,288	0	41,288	47,609	0	47,609

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
130	64249F	Night/Precision Attack	38,766	19,851	0	19,851	4,689	--	--
131	64250F	Integrated EW/CM/ Development	0	5,714	0	5,714	36,081	--	--
132	64268F	Aircraft Engine Component Improvement Program	108,774	101,012	0	101,012	128,737	--	--
133	64313F	T-46A	10,228	0	0	0	0	--	--
134	64314F	Advanced Medium-Range, Air-to-Air Missile (AM	37,164	28,194	0	28,194	0	--	--
135	64315F	Advanced Short Range Air-to-Air Missile (ASRA	0	3,001	0	3,001	9,576	--	--
136	64321F	Joint Tactical Fusion Program	24,422	[ ]	0	[ ]	[ ]	--	--
137	64327F	Hardened Target Munitions	0	7,690	0	7,690	14,085	--	--
138	64362F	Ground-Launched Cruise Missile (GLCM	0	5,299	0	5,299	958	0	958
139	64601F	Chemical/Biological Defense Equipment	22,198	14,600	0	14,600	17,678	0	17,678
140	64602F	Armament/Ordnance Development	20,000	25,629	0	25,629	19,176	--	--
141	64604F	Submunitions	4,757	4,668	0	4,668	7,333	--	--
142	64607F	Wide-Area, Anti-Armor Munitions	23,672	17,607	0	17,607	13,278	--	--
143	64617F	Air Base Survivability and Recovery	19,651	14,532	0	14,532	17,034	--	--
144	64703F	Aeromedical Systems Development	8,063	6,730	0	6,730	8,103	--	--
145	64704F	Common Support Equipment Development	0	1,645	0	1,645	2,237	--	--
146	64706F	Life Support Systems	14,879	12,617	0	12,617	15,730	--	--
147	64708F	Other Operational Equipment	13,753	6,987	0	6,987	6,748	--	--
148	64710F	Reconnaissance Equipment	9,222	195	0	195	203	--	--
149	64715F	DoD Physical Security Equipment - Exterior	16,536	11,332	0	11,332	5,148	--	--
150	64724F	Tactical C3 Countermeasures	19,043	12,761	0	12,761	6,915	--	--
151	64725F	Combat Identification Systems	8,908	44,930	0	44,930	127,599	--	--
152	64733F	Surface Defense Suppression	27,550	40,775	0	40,775	28,137	--	--
153	64737F	Airborne Self-Protection Jammer	11,933	21,545	0	21,545	8,047	--	--
154	64738F	Protective Systems	53,763	52,410	-19,500	32,910	81,974	--	--
155	64739F	Tactical Protective Systems	41,083	49,077	0	49,077	55,994	--	--
156	64740F	Computer Resources Management Technology	10,635	20,367	0	20,367	21,667	--	--
157	64742F	Precision Location Strike System	20,000	0	0	0	0	--	--
158	64750F	Intelligence Equipment	10,070	5,928	0	5,926	4,880	--	--
159	64753F	Combat Helicopter Modernization	0	0	0	0	0	--	--
160	64754F	Joint Tactical Information Distribution Syste	0	44,072	0	44,072	64,772	--	--
161	64756F	Side Looking Airborne Radar	18,726	11,117	0	11,117	5,254	--	--
162	64770F	Joint Surveillance/Target Attack Radar System	300,000	337,912	39,000	376,912	238,296	--	--
163	64779F	Joint Interoperability of Tactical Command &	9,382	6,040	0	6,040	6,085	--	--
164	11133F	SR-71 Squadrons	[ ]	[ ]	0	[ ]	[ ]	--	--
165	21130F	U.S. Readiness Command - Communications	0	4,015	0	4,015	1,276	--	--
166	27129F	F-111 Squadrons	16,991	25,656	0	25,656	20,136	--	--
167	27130F	F-15 Squadrons	156,069	118,564	0	118,564	69,340	--	--
168	27131F	A-10 Squadrons	0	0	0	0	0	--	--
169	27133F	F-16 Squadrons	54,872	36,486	0	36,486	23,640	--	--
170	27136F	F-4G WILD WEASEL Squadrons	35,333	17,762	0	17,762	17,002	--	--
171	27138F	CONSTANT HELP	[ ]	[ ]	0	[ ]	[ ]	--	--
172	27139F	Competitive Fighter Procurement	0	3,525	0	3,525	2,846	--	--

LINCOLN LABORATORY MODERNIZATION PROGRAM

The Massachusetts Institute of Technology-Lincoln Laboratory (MIT-LL) is a Federally Funded Research and Development Center located at Hanscom Air Force Base, Massachusetts. Its mission is to conduct R&D pertinent to national defense with emphasis on advanced electronics. It is directed by a DOD Joint Advisory Committee, and is operated by MIT under contract, with a total contract value of about $400 million annually. Over 100 programs are underway at MIT-LL, sponsored by all the services, DARPA, SDIO, and others. This national research asset has made unique contributions to U.S. technology, and has had a positive national economic impact, including 38 spin-off companies with $8.6 billion in sales and employing 108,000 people.

The existing physical plant at Hanscom AFB is inadequate for current needs and is not responsive to the accelerating changes in communications and electronics technologies, Current space inadequacy has forced the leasing of nearly 200,000 square feet of space at five off-base locations, and further off-base leasing is estimated to exceed 500,000 square feet by the early 1990's. This extensive use of leased space is expected to result in an estimated $200 million in non-recoverable lease expenses by the late 1990's. This decentralized complex drives up the costs of transportation, lowers productivity, and degrades the possibility for cross-fertilization and synergism between scientists and engineers. Furthermore, inadequate laboratory facilities have been demonstrated to inhibit the recruiting of highly qualified researchers.

Accordingly, the committee recommends that the Air Force be authorized to enter into a contract with MIT for modernization and expansion of the Lincoln Laboratory complex at Hanscom AFB. The project will include new construction, additions to, and modifications of existing research offices, laboratory spaces, and supporting facilities needed to perform the Lincoln Laboratory mission. The cost for this project should not exceed $135 million nor be longer than 12 years. It is understood that MIT will provide up to $40 million of construction funding, with repayment to MIT spread over the 12 year period of the project. Government funding for this project is to be made available from Research and Development programs at MIT-LL, and title to the facilities and all associated equipment under this contract shall be conveyed to the United States upon completion of the project and when accepted by the Air Force. No independent right of ownership or use will be afforded to MIT as a result of this project.

The committee is reluctant to use research and development funds for construction, but recognizes that it is difficult for R&D facilities to compete with higher priority training and readiness-related MILCON and family housing projects. This recommendation should not be considered a pattern for other R&D facility modernization programs, but a recognition of the insufficient emphasis research facilities receive within the department. The committee directs the department to develop a rational, long range plan for modernizing its research facilities, rather than continuing to rely on a piecemeal approach. This report should be submitted to the

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	CHANGE FY88 AMOUNT	AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
44	63751F	Training Systems Technology	0	276	0	276	471	0	471
45	63752F	DoD Software Engineering Institute	14,197	18,929	0	18,929	18,794	0	18,794
46	63789F	Command Control and Communications	18,647	42,809	0	42,809	47,696	0	47,696
47	63110F	Special Evaluation Program	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
48	63111F	Meridian	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
49	63311F	Advanced Strategic Missile Systems	145,000	134,162	0	134,162	151,979	0	151,979
50	63312F	Advanced Concepts	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
51	63364F	Short Range Attack Missile II (SRAM II)	56,528	220,386	-30,400	189,986	231,589	--	--
52	63367F	Strategic Relocatable Target Capability	500	16,495	0	16,495	23,723	0	23,723
53	63368F	Air Defense Battle Management Technology	604	17,139	-10,000	7,139	35,820	--	--
54	63369F	Cruise Missile Engagement Systems Technology	508	13,222	-10,000	3,222	35,035	--	--
55	63424F	Cruise Missile Surveillance Technology	14,834	0	0	0	0	0	0
56	63716F	Atmospheric Surveillance Technology	14,137	8,695	0	8,695	1,604	0	1,604
57	63717F	Technical On-site Inspection Program	6,513	3,819	0	3,819	3,813	0	3,813
58	63735F	WWMCCS Architecture	1,873	282	0	282	289	0	289
59	63738F	ADI Surveillance Technology	[ ]	[ ]	-15,000	[ ]	[ ]	--	--
60	64216F	WWABNCP System Replacement	0	13,695	0	13,695	13,796	--	--
61	64226F	B-1B	112,840	415,511	-39,800	375,711	386,726	--	--
62	64234F	Common Strategic Rotary Launcher	13,120	5,715	0	5,715	947	0	947
63	64312F	ICBM Modernization	1,547,407	2,875,728	-1,724,537	1,151,191	3,461,672	--	--
64	64326F	Strategic Conventional Standoff Capability (S	7,200	0	0	0	0	0	0
65	64361F	Air Launched Cruise Missile (ALCM)	4,792	3,591	0	3,591	958	0	958
66	64406F	Space Defense System	189,265	402,358	-195,950	206,408	385,812	--	--
67	64711F	Systems Survivability (Nuclear Effects)	13,061	12,976	0	12,976	11,340	0	11,340
68	11113F	B-52 Squadrons	0	0	0	0	0	0	0
69	11120F	Advanced Cruise Missile	[ ]	[ ]	0	[ ]	[ ]	--	--
70	11135F	Aircraft Survivability Enhancements	[ ]	[ ]	0	[ ]	[ ]	--	--
71	11142F	KC-135 Squadrons	3,708	4,035	0	4,035	4,179	0	4,179
72	11213F	Minuteman Squadrons	48,333	107,672	-20,000	87,672	199,615	--	--
73	11312F	PACCS and WWABNCP System EC-135 Class V Mods	9,015	943	0	943	1,203	0	1,203
74	11316F	SAC Communications	590	0	0	0	0	0	0
75	12310F	NCMC - TW/AA Systems	31,217	57,849	0	57,849	52,582	0	52,582
76	12311F	NCMC - Space Defense Systems	39,125	26,371	0	26,371	24,004	0	24,004
77	12313F	Ballistic Missile Tactical Warning/Attack Ass	2,874	2,265	0	2,265	2,536	0	2,536
78	12323F	TW/AA Interface Network	0	0	0	0	0	0	0
79	12325F	Joint Surveillance System	3,267	2,156	0	2,156	1,754	0	1,754
80	12411F	Surveillance Radar Stations/Sites	20,118	5,224	0	5,224	1,671	0	1,671
81	12412F	Distant Early Warning (DEW) Radar Stations	13,121	8,477	0	8,477	0	0	0
82	12417F	Over-the-Horizon Backscatter Radar	31,696	38,396	0	38,396	19,218	0	19,218
83	12423F	Ballistic Missile Early Warning System (BMEWS	15,385	19,247	0	19,247	27,007	--	--
84	12424F	SPACETRACK	14,385	9,630	0	9,630	10,966	0	10,966
85	12431F	Defense Support Program	113,022	103,807	0	103,807	95,214	--	--
86	12432F	Submarine-Launched Ballistic Missile (SLBM) R	18,059	20,313	0	20,313	10,175	0	10,175

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
87	12433F	NUDET Detection System	25,468	10,397	0	10,397	10,932	0	10,932
88	12436F	Command Center Processing and Display System	25,699	32,052	0	32,052	38,064	0	38,064
89	12822F	LEO	[ ]	[ ]	0	[ ]	[ ]	--	--
90	33131F	Minimum Essential Emergency Communications Ne	60,222	55,598	0	55,598	34,231	0	34,231
91	33152F	World-Wide Military Command and Control Syste	7,592	5,107	0	5,107	5,319	--	--
92	33154F	WWMCCS Information System Joint Program Manag	94,930	82,089	0	82,089	91,425	--	--
93	33601F	Milstar Satellite Communications System (AF T	271,968	229,229	0	229,229	310,353	--	--
94	33603F	Milstar Satellite Communications System	470,316	[ ]	0	[ ]	[ ]	0	[ ]
95	35124F	Special Applications Program	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
96	35155F	Theater Nuclear Weapon Storage & Security Sys	0	0	0	0	0	0	0
97	35172F	BERNIE	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
98	35892F	Special Analysis Activities	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
99	41123F	Military Airlift Group (IF)	8,664	12,415	0	12,415	192	--	--
100	63230F	Advanced Tactical Fighter	248,821	536,826	0	536,826	702,995	--	--
101	63239F	Unmanned Air Reconnaissance System	3,809	8,812	0	8,812	8,831	--	--
102	63256F	CV-22A	1,933	32,025	6,700	38,725	25,584	--	--
103	63260F	Intelligence Advanced Development	4,912	5,074	0	5,074	5,796	--	--
104	63261F	PAVE RUNNER Advanced Development	[ ]	[ ]	0	[ ]	[ ]	--	--
105	63307F	Airbase Survivability and Recovery	5,797	4,426	0	4,426	5,132	--	--
106	63320F	Low Cost Anti-Radiation Seeker	16,796	13,586	0	13,586	12,465	--	--
107	63437F	HAVE DJINN	[ ]	[ ]	0	[ ]	[ ]	--	--
108	63607F	F-4 Modernization Demonstration	0	0	0	0	0	--	--
109	63609F	Millimeter Wave Seekers	4,833	0	0	0	0	--	--
110	63714F	DoD Physical Security Equipment - Exterior	951	912	0	912	937	--	--
111	63719F	Electronic Warfare Technology	0	0	0	0	0	--	--
112	63742F	Combat Identification Technology	6,005	1,457	0	1,457	1,951	--	--
113	63749F	C3CM Advanced Systems	1,865	1,386	0	1,386	1,872	--	--
114	63770F	Joint Surveillance/Target Attack Radar System	0	0	0	0	0	--	--
115	63801F	Special Programs	[ ]	[ ]	0	[ ]	[ ]	--	--
116	64201F	Aircraft Avionics Equipment Development	21,907	19,685	0	19,685	22,648	--	--
117	64209F	F100 Durability	0	0	0	0	0	--	--
118	64212F	Aircraft Equipment Development	4,700	1,939	0	1,939	2,139	--	--
119	64218F	Engine Model Derivative Program (EMDP)	61,941	979	0	979	982	--	--
120	64219F	Integrated Digital Avionics	7,051	270	0	270	653	--	--
121	64220F	EW Counter Response	26,100	13,654	0	13,654	2,634	--	--
122	64222F	Nuclear Weapons Support	2,263	4,444	0	4,444	2,179	--	--
123	64223F	Alternate Fighter Engine	105,050	86,915	0	86,915	28,078	--	--
124	64231F	C-17 Program	626,262	1,219,904	-24,398	1,195,506	981,977	0	981,977
125	64233F	PAVE RUNNER	[ ]	[ ]	0	[ ]	[ ]	--	--
126	64236F	Infrared Search and Track System	31,237	14,055	0	14,055	4,876	--	--
127	64237F	Variable Stability In-Flight Simulator Test A	7,733	6,249	0	6,249	14,380	--	--
128	64247F	Modular Automatic Test Equipment	19,184	18,373	0	18,373	16,302	--	--
129	64248F	Modular Standoff Weapons	0	39,175	0	39,175	39,255	--	--

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
173	27162F	Tactical AGM Missiles	967	2,348	0	2,348	0	--	--
174	27168F	F-111 Self Protection Systems	0	58,007	0	58,007	52,669	--	--
175	27169F	SEEK CLOCK	[ ]	[ ]	0	[ ]	[ ]	--	--
176	27215F	TR-1 Squadron	20,454	74,923	0	74,923	102,307	--	--
177	27217F	Follow-On Tactical Reconnaissance System	17,672	55,561	0	55,561	54,084	--	--
178	27247F	AF TENCAP	102	313	0	313	324	--	--
179	27316F	TACIT RAINBOW	[ ]	[ ]	0	[ ]	[ ]	--	--
180	27411F	Overseas Air Weapon Control System	6,305	6,947	0	6,947	5,075	--	--
181	27412F	Tactical Air Control Systems	18,546	20,995	0	20,995	14,370	--	--
182	27417F	Airborne Warning and Control System (AWACS)	96,762	110,737	0	110,737	86,419	--	--
183	27419F	Tactical Airborne Command and Control Systems	0	0	0	0	0	--	--
184	27423F	Advanced Communications Systems	31,906	34,549	0	34,549	11,389	--	--
185	27431F	Tactical Air Intelligence System Activities	476	1,950	0	1,950	0	--	--
186	27433F	Tactical Improvement Program	[ ]	[ ]	60,000	[ ]	[ ]	--	--
187	27435F	Tactical Reconnaissance Imagery and Exploita	803	1,142	0	1,142	1,534	--	--
188	27579F	Advanced Systems Improvements	[ ]	[ ]	0	[ ]	[ ]	--	--
189	27582F	Have Tramp	[ ]	[ ]	0	[ ]	[ ]	--	--
190	27584F	SEEK AXLE	[ ]	[ ]	0	[ ]	[ ]	--	--
191	27585F	SEEK SPINNER	[ ]	[ ]	0	[ ]	[ ]	--	--
192	27591F	OMEGA	[ ]	[ ]	0	[ ]	[ ]	--	--
193	27595F	Base Communications - Tactical Air Forces	1,786	0	0	0	0	--	--
194	28010F	Joint Tactical Communications Program (TRI-TA	6,975	15,872	0	15,872	6,102	--	--
195	28042F	HAVE FLAG	[ ]	[ ]	0	[ ]	[ ]	--	--
196	32053F	WWCS-Wide Support - Communications	967	0	0	0	0	--	--
197	33605F	Satellite Communications Terminals	4,461	23,783	0	23,783	22,760	0	22,760
198	35887F	Electronic Combat Intelligence Support	1,691	1,622	0	1,622	1,582	--	--
199	41129F	THEME CASTLE	[ ]	[ ]	0	[ ]	[ ]	--	--
200	41840F	MAC Command and Control System	10,534	10,002	0	10,002	11,015	--	--
201	44011F	Special Operations Forces	63,279	109,487	6,900	116,387	113,461	--	--
202	52610F	A-7 Squadrons (ANG)	36,138	63,220	0	63,220	83,567	--	--
203	63431F	Space Communications	13,112	0	0	0	0	0	0
204	64238F	Constant Fisces	[ ]	[ ]	-115,000	[ ]	[ ]	--	--
205	31305F	Intelligence Production Activities	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
206	31310F	Foreign Technology Division	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
207	31314F	Infrared/Electro-Optical/DEW Processing and E	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
208	31315F	Missile and Space Technical Collection	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
209	31317F	SENIOR YEAR Operations	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
210	31324F	FOREST GREEN	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
211	31357F	NUDET Detection System	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
212	33110F	Defense Satellite Communications System	16,833	21,398	0	21,398	53,566	--	--
213	33126F	Long-Haul Communications (DCS)	5,442	5,154	0	5,154	4,756	0	4,756
214	33128F	Inter-Service/Agency Automated Message Proces	52,408	1,296	0	1,296	13,240	--	--
215	33144F	Electromagnetic Compatibility Analysis Center	7,485	8,132	0	8,132	8,618	0	8,618

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LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988			FY1989		
				REQUEST FY88 AMOUNT	CHANGE FY88 AMOUNT	AUTH FY88 AMOUNT	REQUEST FY89 AMOUNT	CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
216	33401F	Communications Security (COMSEC)	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
217	34111F	Special Activities	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
218	35114F	Traffic Control, Approach, and Landing System	17,257	12,095	0	12,095	25,139	--	--
219	35159F	Defense Reconnaissance Support Activities	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
220	35164F	NAVSTAR Global Positioning System (User Equip	28,972	45,801	0	45,801	61,677	--	--
221	35165F	NAVSTAR Global Positioning System (Space and	36,305	26,309	0	26,309	61,257	--	--
222	84723F	General Intelligence Skill Training	4,424	0	0	0	0	0	0
223	63402F	Space Test Program	49,219	90,197	0	90,197	130,664	--	--
224	63438F	Satellite Systems Survivability	1,933	3,277	0	3,277	3,787	0	3,787
225	63790F	NATO Research and Development	33,833	0	0	0	0	--	--
226	64211F	Advanced Aerial Target Development	10,777	9,886	0	9,886	3,754	--	--
227	64227F	Flight Simulator Development	96,412	61,701	0	61,701	64,467	--	--
228	64411F	Space Shuttle	0	0	0	0	0	0	0
229	64609F	R&M Maturation/Technology Insertion	13,563	20,365	0	20,365	26,279	0	26,279
230	64707F	Weather Systems - Eng Dev	8,163	12,537	0	12,537	11,769	0	11,769
231	64735F	Range Improvement	59,562	69,560	-5,000	64,560	46,603	0	46,603
232	64747F	Electromagnetic Radiation Test Facilities	5,496	5,942	0	5,942	6,238	0	6,238
233	64755F	Improved Capability for Development Test & Ev	73,227	64,663	0	64,663	71,257	0	71,257
234	65101F	Project Air Force	20,300	19,106	3,000	22,106	20,011	3,100	23,111
235	65304F	Acquisition & Command Support (ACS) - Telecom	10,727	0	0	0	0	0	0
236	65306F	Ranch Hand II Epidemiology Study	7,147	5,777	0	5,777	1,757	0	1,757
237	65502F	Small Business Innovative Research	0	0	0	0	0	0	0
238	65708F	Navigation/Radar/Slec Track Test Support	21,294	24,194	0	24,194	24,959	0	24,959
239	65806F	Acquisition and Command Support	284,513	0	0	0	0	0	0
240	65807F	Test and Evaluation Support	291,729	304,839	0	304,839	316,669	0	316,669
241	65808F	Advanced Systems Engineering/Planning	22,710	25,376	0	25,376	27,445	0	27,445
242	65809F	DYCOMS	0	12,340	0	12,340	9,224	0	9,224
243	65863F	RDT&E Aircraft Support	60,000	59,034	0	59,034	60,862	0	60,862
244	65872F	Productivity Investments	2,900	0	0	0	0	0	0
245	65874F	Product Performance Agreement Center	491	0	0	0	0	0	0
246	65894F	Real Property Maintenance - RDT&E	120,016	79,702	0	79,702	60,843	0	60,843
247	65896F	Base Operations - RDT&E	95,423	62,152	0	62,152	56,146	0	56,146
248	35110F	Satellite Control Facility	78,702	109,531	0	109,531	126,898	0	126,898
249	35119F	Space Boosters	274,379	246,641	0	246,641	15,847	0	15,847
250	35130F	Consolidated Space Operations Center	71,173	50,020	0	50,020	39,126	0	39,126
251	35160F	Defense Meteorological Satellite Program (DMS	61,169	56,181	0	56,181	68,539	--	--
252	35171F	Space Shuttle Operations	103,837	86,554	0	86,554	158,070	--	--
253	71112F	Inventory Control Point Operations	4,628	4,346	0	4,346	4,480	0	4,480
254	72207F	Depot Maintenance (Non-IF)	0	998	0	998	974	0	974
255	78011F	Industrial Preparedness	60,459	94,967	0	94,967	94,973	0	94,973
256	78026F	Productivity, Reliability, Availability, Main	14,264	19,560	0	19,560	20,413	0	20,413
257	78031F	Logistics (C3I) System	0	0	0	0	0	0	0
258	01004F	International Activities	2,721	3,123	0	3,123	3,156	0	3,156

RDT&E, AIR FORCE

LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
	XXXXXXXXXX	Undistributed Reduction	0	0	-177,100	-177,100	0	--	--
	XXXXXXXXXX	Prior Year Savings	0	0	-16,306	-16,306	0	--	--
999	XXXXXXXXXX	Classified Programs	5,659,034	6,400,889	0	6,400,889	4,112,574	145,100	4,036,322
		TOTAL RDT&E, AIR FORCE	15,388,761	18,623,383	-2,276,785	16,346,598	17,728,571	148,200	7,967,760

House and Senate Committees on Armed Services no later than March 1, 1988.

NATIONAL AEROSPACE PLANE

The committee reviewed the plans for the national aerospace plane (NASP) carefully in light of last year's congressional guidance. The committee regards the NASP program as an important exercise in the incorporation of a number of advanced technologies that may lead both to important civil and military advances, and to lower space launch costs.

The committee notes that the NASP program appears to have at least as many civil and space applications as military, and yet the DoD continues to bear a disproportionate share of the costs. Moreover, the department's response to last year's congressional guidance is disappointing. NASA's share of costs from fiscal year 1988 to completion increases only from 18.2% in last year's budget submission to 19.2% in this year's budget submission. Moreover, in this year's budget submission, NASA's overall contribution is increased by $78 million, but DOD's contribution over the same period rises by $167 million. Accordingly, the committee made a modest reduction of $36 million to the DOD request, in order to increase NASA's proportionate fiscal year 1988 share. The committee will review the proposed fiscal year 1989 DOD and NASA budgets for the NASP next year, and expects to see a substantially higher NASA contribution to the program.

The committee further notes that there will be major downselections of contractor teams later this year and that substantial technical and engineering challenges will remain, which will require close and continuing program management during the development and construction of the initial NASP vehicle. Accordingly, the Air Force is directed to strengthen its part of the joint NASP program management office at Dayton and to streamline its management oversight to provide continuing high-level review of technical progress. Effective with the fiscal year 1988 budget, DARPA should substantially relinquish further programmatic oversight and concentrate on providing technical assistance to the joint Air Force/NASA program office.

SHORT RANGE ATTACK MISSILE (SRAM II)

The committee requested studies of alternatives to the SRAM II program in each of the last two authorization reports. These requests had as their premise that the Air Force needed to take action in the near term to address the deteriorating condition of the existing SRAM A rocket motors, and that the current budgetary environment demanded careful consideration of less expensive options than the development of an all-new SRAM.

It now appears that the cost savings that have been achieved through competition of the SRAM II acquisition program, combined with the DOE cost of providing for warhead safety improvements, have effectively narrowed the differences between an all-new missile and a modified SRAM A. In view of the importance the committee attaches to a reliable and supportable short-range attack missile to enhance the capabilities of the Advanced Technology Bomber, the committee has recommended authorization of $190 million of the $220.4 million requested to continue full scale development of the SRAM II.

AIR DEFENSE INITIATIVE

The administration has made progress on a coordinated research effort to determine the feasibility of strategic defenses against air-breathing targets, including strategic bombers and low radar cross section cruise missiles. The committee continues to support this research effort, and reiterates that priority should be placed on surveillance technologies, and that Strategic Defense Initiative research should be followed closely, especially in the battle management area, for possible application to ADI.

Due to budgetary constraints, the committee recommended reductions from the administration request in three separate program elements totalling $35 million.

B–1B

The committee held extensive hearings on the widely-reported problems with operational B–1B aircraft. It is clear that the major unresolved problem is with the defensive avionics system. The Air Force believes that the problem is fixable with the addition of some $600 million and an 18-month extension of the flight test program. The committee is concerned that the B–1B's penetration capability, even after the problems with the defensive avionics are fixed, will never be as good as anticipated when the B–1B program was restarted.

Other government witnesses have been far less sanguine about the cost and time required for even a partial restoration of the B–1B's lost penetration capability. Both GAO and Office of Test and Evaluation witnesses offered their judgments that the Air Force does not yet have a basis for calculating the cost and time required to fix the defensive avionics, and cannot have such a basis without both further flight testing and the standardization of components of the defensive avionics system across the fleet.

Despite this major problem, the B–1B is a significantly better aircraft than the B–52s it will replace, and the Congress has no real option other than to improve the defensive avionics capability of the 100-aircraft fleet, all of which are now delivered or under construction to the contract baseline. The issues for the Congress are how much money to authorize and how to establish better oversight over the results the Air Force obtains from the expenditure of those funds. The B–1B will eventually revert to the status of a cruise missile carrier with less dependence on ECM so both the time and cost required to carry out fixes are important variables.

Therefore, the committee directs the following actions. The Office of Test and Evaluation shall provide quarterly reports to the committees on Armed Services of the Senate amd House of Representatives beginning 1 October 1987. These reports shall include OT&E's assessment of measurable progress toward solution of the defensive avionics problem, the funds expended, and the major test and evaluation activities during the preceding quarter, and an assessment of whether the recovery effort should be continued or terminated. Second, the Defense Science Board shall convene an expert panel from among its members to evaluate the problem with the B-1B's defensive avionics system, and to consider alternative courses of remedial action. The DSB shall provide its report to the Secretary of Defense and to the committees on Armed Services of the Senate and House of Representatives not later than 1 February 1988.

Third, the Office of the Secretary of Defense shall conduct an independent study of the cost-effectiveness of improved levels of capability beyond the contract baseline in the defensive avionics systems, taking account the expected growth in Soviet air defense capabilities. This report shall also be due to the committees on Armed Services of the Senate and House of Representatives not later than 1 February 1988.

The committee has denied funding for the four proposed new capabilities for the B-1B (including the B-1B ECM project under Protective Systems, PE 64738F), and does not intend to authorize any new additions to that aircraft until the prospects for a resolution of the defensive avionics problem are more clear. The committee also did not authorize any funds for the B-1B for fiscal year 1989, since it intends to review carefully progress in solving the defensive avionics problem prior to next year's markup, and to seek expert advice from both Air Force and outside witnesses. The committee also intends to continue the oversight role of the General Accounting Office on this program.

Finally, the committee received testimony on the applicability of the "lessons learned" on the B-1B program to the follow-on Advanced Technology (or "Stealth") Bomber. The major influences on the B-1B outcome appear to have been, first, the extreme concurrency of the avionics development, test, and integration process for what is the most complex avionics system ever fielded; second, inadequate Air Force management attention to the development and testing activities of the defensive avionics manufacturer, who was both chronically late with deliveries and who changed specifications of components repeatedly during production; and, third, a tendency for over-optimism by Air Force managers—possibly owing to the Air Force being both the prime contractor and the "watchdog," which resulted in inadequate reporting of problem areas.

None of these concerns apply with full force to the ATB program. It is far less dependent on complex, highly integrated defensive avionics systems, and the Air Force is not the prime contractor. Nonetheless, the committee further directs the Defense Science Board task group to review the ATB program with an eye to the lessons learned from its evaluation of the B-1B, and to provide the committees on Armed Services of the Senate and House of Representatives with a report of its findings and recommendations for that program not later than March 1, 1988. The committee also intends to continue to avail itself of the GAO's oversight role of this vital bomber modernization program.

ICBM MODERNIZATION

The committee carefully reviewed the administration's revised plan for ICBM Modernization, with a focus on the survivability implications of the Rail-Garrison Basing Mode for the MX missile and on the cost implications of the Hard Mobile Launcher Basing Mode for the Small ICBM.

The committee noted that the Rail-Garrison Basing Mode represents a significant departure from previous planning assumptions for ICBM survivability. This is so because the survivability of the system depends on dispersal that would take several hours to accomplish, thus making the system dependent on strategic warning indicators. All previously proposed ICBM mobile basing modes, including the Hard Mobile Launcher Basing Mode for the Small ICBM, are dependent only on tactical warning of an impending attack, that is, the up to thirty minutes of warning provided by various sensors that missiles have been launched in the direction of the United States.

In light of this significant change, the committee held hearings into the adequacy of, and DOD's confidence in receiving, strategic warning indicators on a timely basis. The committee is greatly reassured but not entirely persuaded by this testimony, and will explore the issue in greater detail prior to next year's markup. The committee also notes that other elements of the Triad do not depend on strategic warning, and that their alert rates are adjustable within fairly broad limits, to increase the assurance of U.S. deterrence of surprise attack in a day-to-day situation. Thus, the committee is prepared to explore further the case for deployment of an ICBM system that is dependent for its survivability on hours of strategic warning.

As to the particular choice of Rail-Garrison MX, the committee found the Air Force unable as yet to answer many fundamental questions about Rail-Garrison operations after strategic warning has been declared. How the MX trains would be integrated into the existing railroad network—which may itself be undergoing the severe stress of a full-scale conventional forces mobilization—and how the security of their location can be preserved within a nonsecure railroad communications and signal environment are typical of the kinds of questions for which the Air Force lacks good answers. Clearly, much of the work necessary to persuade the committee of the validity of the Rail-Garrison system lies in analytic research rather than engineering development.

Accordingly, while urging the Air Force to continue to preserve the option for an early 1990s deployment, including the conduct of siting studies and a site-specific environmental impact statement on the peacetime deployment and operation of the Peacekeeper Rail-Garrison system, the committee directs that the necessary conceptual work be completed and reported to the Congress before spending substantial sums on the Rail-Garrison approach. Hardware development efforts should be focused on the rail-car design and on the missile erection system.

Primarily for budgetary reasons, the committee recommends that the pace of the Small ICBM program be significantly slowed. In restructuring the program to conform to the recommended funding levels, the committee directs the Air Force to attach highest priority to the development of the single warhead missile. Such priority appears warranted in view of the current direction of arms control limitations on warhead levels, and because of the eventual need to replace the Minuteman II missile. With the additional time that would be afforded in a restructured program, the Air Force should ensure that the potential of less expensive alternative guidance approaches is fully assessed. Activities in support of Hard Mobile Launcher development should attach the highest priority to assuring that the launcher is compatible with repeated operation on available roads in the vicinity of the Minuteman launchers where the Small ICBMs will be based.

Consistent with the considerations outlined above, the committee recommends authorization of $1,151.2 million of the $2,875.7 million requested for ICBM modernization RDT&E, including full funding for development activities related to completing the MX missile development program, $400 million for development of the Rail-Garrison basing mode, and $700 million for development of the Small ICBM. In addition, the committee recommends authorization of $1,159.9 million for 21 Peacekeeper missiles in fiscal year 1988, a reduction of $100 million, which the committee understands can be accommodated through greater-than-anticipated contract savings.

SPACE DEFENSE SYSTEM

The committee has strongly supported the development and testing of the F–15 Miniature Homing Vehicle (MHV) Anti-Satellite program over the years. This support has been warranted both by the contribution of the MHV to deterring actions by the Soviets that might impede, damage or destroy our important space assets, and by the ability of the MHV to deny Soviet space-based capabilities that could threaten our terrestrial forces in time of war. On the basis of testimony received again this year, the committee is convinced of the continuing requirement for a viable anti-satellite program to satisfy both deterrence and warfighting requirements.

The Space Defense System program has been expanded in this year's budget request to include two elements in addition to the F–15 launched MHV program. One element seeks to develop an increased altitude capability for the MHV that could be achieved by a ground-based system using existing ballistic missile boosters or by an improved airborne rocket motor. A second element seeks to develop a ground-based laser capability, taking advantage of technologies under development in the Strategic Defense Initiative.

The committee supports the development of increased altitude capability, but does not believe that the current budget constraints permit the pursuit of these efforts independently of related efforts in other programs. The committee received testimony pertaining to the inherent higher altitude ASAT capabilities of the ERIS component of the SDI program. Although any deployed ASAT system tested in an ABM mode would raise serious complications relative to our arms control commitments, the committee believes that the Air Force should work closely with the SDIO on technologies that could provide improved ASAT capabilities.

The committee recommends authorization of $236.8 million of the $402.6 million requested for the Space Defense Program, including the application to fiscal year 1988 requirements of $16.3 million in prior-year Space Defense Program funds associated with the ground-based laser effort. The committee recommends that no fiscal year 1988 funds be authorized for development of a separate Air Force enhanced altitude capability. The committee recommends authorization of the $46.6 million requested for the EMRLD (excimer, moderate power, Raman-shifted, laser device) program. The committee believes that this program potentially provides an important complementary approach to carrying out the low-altitude ASAT mission. The committee believes that this program should be judged on its own merits, separate from consideration of the F-15 launched MHV ASAT program. The committee further recommends a separate program element for the funds authorized for the ground-based laser effort. Finally, the committee recommends authorization of $206.4 million of the $278.0 million in RDT&E funding requested to continue development of the F-15 MHV portion of the Space Defense System program, and recommends no funding for advanced procurement (−$21.8 million) of the F-15 MHV.

The committee notes that if the F-15 MHV is not permitted to resume testing against objects in space in fiscal year 1988, the committee would recommend a significant restructuring or cancellation of the MHV ASAT program. This is because the committee cannot justify continued RDT&E expenditures in the current budget environment if they are not accompanied by the prospect of progress toward an operationally deployed system.

MINUTEMAN SQUADRONS

The administration requested $107.7 million for research and development associated with initiatives to maintain, and in some cases to improve, the effectiveness of the deployed Minuteman force.

The committee has strongly endorsed the full scale development of penetration aids for the ICBM force and recommends authorization of the full amount requested, $77.1 million, for this purpose.

The committee also supports initiation of the Integrated Electronics program, which is intended to update the hardware in the launch control centers. This update would reflect revised manning practices in the LCCs, and the greatly increased workload associated with communications processing. Because of budget constraints, however, the committee recommends a reduction of $10.8 million from the $17.9 million requested for this initiative. The committee also serves notice that it will want to be assured that this effort involves maximum commonality with related developments in support of the Small ICBM and the Rail Garrison Peacekeeper before authorizing funds to proceed beyond fiscal year 1988.

Finally, the committee recommends that no funds be authorized in the RDT&E account to continue the program to assure the availability of semiconductor piece parts. The committee was assured during the review of the fiscal year 1987 request for this purpose that subsequent funding would be included in the Operations and Maintenance account. The committee offers no objection to inclusion of the $9.2 million requested for this purpose in the O&M account.

SPACE LAUNCH SATELLITE PROGRAMS

The committee notes the significant growth in DOD space activities, including spacecraft, space operations and control activities, and space launch systems. The committee strongly supported the plans to develop redundant space launch capabilities so the United States would never again be dependent for space access on only a single vehicle type. The committee remains concerned, however, that the proliferation of launch vehicles has not led to the desired redundancy; rather, spacecraft are tailored to particular launch vehicles well in advance and cannot be readily and cheaply shifted to alternative launch systems. The committee intends to pursue this subject in greater detail.

The committee also notes that over $200 million continues to be requested in Air Force RDT&E funds for four deployed satellite programs: DSP, DMSP, Navstar GPS, and DSCS. All four systems are being acquired under multi-year procurement plans. One of the criteria for establishing a multi-year procurement is that the program has demonstrated a stable configuration. Therefore, the committee regards substantial continuing R&D expenditures for satellite programs—especially multi-year procurement programs—to be incompatible with the objective of program stability. Further, the committee is concerned that the ready availability of R&D funds encourages the development of modifications that both contribute to rising costs and discourage economies of scale through the learning curve. Accordingly, these programs should be considered for the application of the undistributed reductions to Air Force RDT&E recommended by the committee. Moreover, this committee serves notice that all future R&D requests for satellite and space-launched systems proposed for multi-year procurement will be carefully scrutinized by the committee.

SPACE LAUNCH RECOVERY

The committee learned that continued assessment of Space Launch Recovery requirements subsequent to the preparation of the fiscal year 1988 budget request has revealed a funding shortfall in excess of $200 million. These additional requirements are associated with Titan 34D recovery and the application of techniques developed therein to the Titan IV program, and the need to fund the continued development of the Titan IV Centaur upper stage following cancellation of the Centaur program by NASA.

The committee remains steadfast in its strong support for our space launch recovery efforts for assured acccess to space. The committee is especially concerned that these additional requirements not impact adversely on planned launches of the MILSTAR satellite and certain classified payloads. Accordingly, the committee invites reprogramming actions by the Air Force to satisfy these requirements. In addition, in order to provide more flexibility to the Department of Defense in carrying out our space recovery strategy, the committee recommends bill language permitting appropriation transfers from Army and Navy RDT&E accounts, in a total amount not to exceed $50 million, to the Air Force for Space Launch Recovery.

SPACE SURVEILLANCE

The committee notes that the continued expansion of Soviet space activities has not been accompanied by a correspondingly robust United States effort to enhance our space surveillance capabilities. Development and deployment of improved space and ground-based space surveillance systems are necessary to afford improved space identification and tracking capabilities, assessment of Soviet ASAT threats to critical U.S. space assets, and for a variety of other critical missions.

Accordingly, the committee directs the Department of Defense to include in the fiscal year 1989 budget request a plan for the improvement of ground and space based space surveillance systems and their associated command, control and communications systems.

CV-22A

The administration requested $32.0 million in fiscal year 1988 for RDT&E of the CV-22A aircraft (program element 63256F).

The committee recommends authorization of $38.7 million for RDT&E of the CV-22A aircraft. The proposed increase of $6.7 million would fund in fiscal year 1988 the unfunded supplemental authorization request for this program in fiscal year 1987.

C-17 AIRLIFT AIRCRAFT

The administration requested $1,219.9 million in fiscal year 1988 for RDT&E of the C-17 airlift aircraft.

The committee recommends a reduction of $24.2 million for research and development of the C-17 airlift aircraft in fiscal year 1988, a 2-percent reduction from the authorization request. This modest reduction was taken as an affordability measure and does not represent a lessening of the committee's commitment to the C-17 program.

The administration requested $982.0 million in fiscal year 1989 for RDT&E of the C-17 airlift aircraft.

The committee recommends authorization of $982.0 million in fiscal year 1989 for RDT&E of the C-17 airlift aircraft.

JOINT STARS

The committee remains strongly committed to continue the Joint Surveillance and Target Attack Radar System (JSTARS) program. The JSTARS system will identify enemy forces deep behind front lines and direct smart munitions and tactical aircraft to attack those forces long before they approach the front lines.

The Defense Science Board recently reviewed the JSTARS program and concluded that the development and test program is unnecessarily jeopardized because of congressional limits on the number of test aircraft. Congress has previously limited the Air Force to two test aircraft. This constraint heightens the risk inherent in any test program of such a sophisticated system. By way of comparison, the U.S. AWACS aircraft, which is a system of comparable sophistication, required five test aircraft.

The limit on test aircraft also has forced the Department to cancel the scheduled 24 month operational European test program which was scheduled to have begun in 1989. Failure to conduct that test will delay operational capabilities well into the 1990s.

The committee recommends an addition of $39 million to the JSTARS program for purposes of obtaining a third test aircraft.

CLOSE AIR SUPPORT

The committee expresses its concern over department plans to modernize close air support aircraft. The committee supports the Air Force request to demonstrate the feasibility of upgrading the existing A-7 aircraft operated by Air National Guard units, and encourages the Air Force to proceed expeditiously if the modification proves technically viable and cost-effective.

Concerning the A-10, the committee understands that the department has directed the Air Force to study alternatives for modernizing A-10 squadrons, including upgrading the existing A-10, developing a modified F-16 (A-16), or developing a new aircraft for the close air support mission. The committee supports the timely modernization of the close air support mission, but is concerned that any alternative be affordable in light of current budget realities.

The committee requests that the department provide the results of its study on close air support modernization to the Congress by February 1, 1988.

SPECIAL OPERATIONS FORCES

The administration requested $109.5 million in fiscal year 1988 for RDT&E of special operations forces programs (program element 44011F).

The committee recommends authorization of $116.4 million for RDT&E of special operations forces programs. The proposed increase of $6.9 million would provide $5.0 million in additional funding for special operations forces defensive systems and $1.9 million in additional funding for the AC-130H development programs. These increases would fund in fiscal year 1988 the unfunded supplemental authorization request for these programs in fiscal year 1987.

SUPERSONIC SLED TRACKS

The committee is concerned that the Department of Defense has not complied with the recommendations contained in the audit report of the DOD Inspector General entitled "Supersonic Sled Tracks" (Report No. 85-085). The report found, in part, that DOD possesses a significant overcapacity in sled test track facilities. The report recommended that the test track activities operated by the Naval Weapons Center be consolidated with that of the 6585th Test Group at Holloman Air Force Base, New Mexico to achieve the most cost-effective operation.

DOD Directive 7650.3 requires that all audit recommendations be resolved within six months of the date of the final report. Although final resolution of the audit's recommendation was delayed pending an Air Force OMB Circular A-76 cost comparison at Holloman

AFB, the committee was notified on June 30, 1986 that the cost comparison was completed and a decision had been made that DOD organic personnel would continue to operate the Holloman sled track. Furthermore, despite testimony before the Senate Armed Services Committee on February 5, 1986 by the Secretary of Defense, and reference in the fiscal year 1987 DOD Posture Statement that the Department expected to realize significant savings in fiscal year 1987 from consolidation, no action has been taken by the Department to effect this consolidation.

Based on the savings anticipated from consolidation, the committee therefore directs the Department of Defense to consolidate the test track activities of the Naval Weapons Center with those of the 6585th Test Group at Holloman as soon as possible, but no later than the end of fiscal year 1988. No funding will be authorized beyond fiscal year 1988 for any activity at the Naval Weapons Center test track.

RDT&E, DEFENSE AGENCIES

LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
1	61101E	Defense Research Sciences	85,371	84,150	0	84,150	97,535	0	97,535
2	61101E	In-House Laboratory Independent Research	1,996	2,532	0	2,532	2,822	0	2,822
3	61103D	University Research Initiatives	0	0	50,000	50,000	0	70,000	70,000
4	61103E	University Research Initiatives	8,751	24,570	0	24,570	25,000	0	25,000
5	62101E	Technical Studies	0	1,700	0	1,700	1,800	0	1,800
6	62301E	Strategic Technology	216,967	233,956	0	233,956	256,400	0	256,400
7	62702E	Tactical Technology	91,429	114,536	0	114,536	142,551	0	142,551
8	62707E	Particle Beam Technology	14,550	14,000	0	14,000	14,000	0	14,000
9	62708E	Integrated Command and Control Technology	43,450	36,435	0	36,435	38,400	0	38,400
10	62712E	Materials and Electronics Technology	27,925	27,665	0	27,665	26,700	0	26,700
11	62714E	Nuclear Monitoring	18,456	20,363	0	20,363	22,600	0	22,600
12	62715H	Defense Nuclear Agency	366,019	363,032	0	363,032	393,446	—	—
13	62716H	Mapping, Charting and Geodesy	838	990	0	990	1,106	0	1,106
14	63220C	SDI-Surveillance, Acquisition, Tracking and K	925,430	1,492,680	0	1,492,680	1,859,534	—	—
15	63221C	SDI-Directed Energy Weapons	843,600	1,103,600	0	1,103,600	1,245,839	—	—
16	63222C	SDI-Kinetic Energy Weapons	727,600	1,074,730	0	1,074,730	1,199,423	—	—
17	63223C	SDI-Systems Concepts and Battle Management/C3	366,906	627,340	0	627,340	787,510	—	—
18	63224C	SDI-Survivability, Lethality, and Key Support	338,037	996,363	0	996,363	1,162,185	—	—
19	63225D	Joint DoD-DoE Munitions Technology Developmen	7,176	8,617	16,400	25,017	8,614	17,386	26,000
20	63226E	Experimental Evaluation of Major Innovative T	159,771	245,624	0	245,624	272,246	—	—
21	63227E	Strategic Relocatable Targets	0	6,700	0	6,700	17,400	0	17,400
22	63269E	National Aero Space Plane Technology Program	106,000	0	0	0	0	0	0
23	63409D	Special Operations, Special Technology Office	4,015	11,354	0	11,354	8,836	0	8,836
24	63703D	Counter-Insurgency and Special Technology	11,230	10,997	0	10,997	10,375	0	10,375
25	63706E	Microwave/Millimeter Wave Monolithic Integrat	15,274	49,181	0	49,181	36,038	—	—
26	63736D	Computer Aided Logistics Support	13,639	12,976	0	12,975	12,922	—	—
27	63737D	Balanced Technology Initiative	197,224	0	200,000	200,000	0	400,000	400,000
28	63756D	DoD Software Initiatives (STARS)	17,529	27,953	0	27,953	30,726	0	30,726
29	35108K	Command and Control Research	1,344	2,611	0	2,611	2,657	0	2,657
30	63739E	Island Sun	26,645	50,826	0	50,826	62,899	—	—
31	32016K	National Military Command System-wide Support	9,909	10,910	0	10,910	12,405	0	12,405
32	32019K	WWMCCS Systems Engineer	26,330	16,004	0	16,004	17,193	0	17,193
33	33131K	Minimum Essential Emergency Communications Ne	10,116	8,605	0	8,605	10,732	0	10,732
34	64770D	Joint Surveillance/Target Attack Radar System	0	0	0	0	0	—	—
35	64771D	Joint Tactical Information Distribution Syste	194,892	91,226	0	91,226	69,384	—	—
36	64772D	Joint Advanced Systems	0	0	0	0	0	—	—
37	21135K	CINC C2 Initiatives	745	2,124	0	2,124	2,110	—	—
38	28045K	C3 Interoperability (Joint Tactical C3 Agency	66,700	67,715	0	67,715	65,419	—	—
39	33298K	Management Headquarters (Joint Tactical C3 Ag	4,670	6,250	0	6,250	7,175	—	—
40	63701B	Mapping, Charting, Geodesy Investigations, an	10,566	12,168	0	12,168	11,347	0	11,347
41	64701B	Mapping, Charting, and Geodesy Engineering De	1,555	3,702	0	3,702	4,081	0	4,081
42	20811G	Cryptologic Activities	[ ]	[ ]	-36,106	[ ]	[ ]	0	[ ]
43	31301L	General Defense Intelligence Program	[ ]	[ ]	-1,500	[ ]	[ ]	0	[ ]

RDT&E, DEFENSE AGENCIES

LINE NO.	PE	PROGRAM	FY87 AMOUNT	FY1988 REQUEST FY88 AMOUNT	FY1988 CHANGE FY88 AMOUNT	FY1988 AUTH FY88 AMOUNT	FY1989 REQUEST FY89 AMOUNT	FY1989 CHANGE FY89 AMOUNT	AUTH FY89 AMOUNT
44	33126K	Long-Haul Communications (DCS)	27,674	16,969	0	16,969	22,593	0	22,593
45	33127K	Support of the National Communications System	3,764	3,673	0	3,673	4,402	0	4,402
46	33140G	Communications Security (COMSEC)	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
47	35129G	SAA Exploitation Modernization Program	232,629	293,661	0	293,661	293,117	--	--
48	35159F	Defense Reconnaissance Support Activities	5,217	4,814	0	4,814	4,332	0	4,332
49	35159G	Defense Reconnaissance Support Activities	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
50	35159L	Defense Reconnaissance Support Activities	139,725	143,371	0	143,371	110,162	0	110,162
51	35167G	Computer Security	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
52	35884L	Intelligence Planning & Review Activities	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
53	35885G	Tactical Cryptologic Activities	[ ]	[ ]	0	[ ]	[ ]	0	[ ]
54	63739E	Semiconductor Manufacturing Technology	0	50,000	50,000	100,000	50,000	50,000	100,000
55	63790D	NATO Research and Development	36,784	58,825	141,175	200,000	58,967	141,033	200,000
56	65104D	Technical Support to USDR&E	16,552	25,767	-2,000	23,767	29,687	-3,000	26,687
57	65106D	General Support for PA&E	2,218	3,213	-400	2,813	4,530	-500	4,030
58	65107D	General Support for Policy	5,105	7,369	-800	6,569	8,654	-900	7,754
59	65108D	General Support for Net Assessment	3,500	4,420	-400	4,020	5,375	-500	4,875
60	65109D	General Support for FM&P	1,600	2,105	0	2,105	2,604	0	2,604
61	65110D	Technical Support to USDRE--Critical Technolo	3,194	3,824	-400	3,424	4,430	-400	4,030
62	65113D	Rand Research Center for OSD and JCS	15,373	16,515	0	16,515	17,452	0	17,452
63	65114E	BLACK LIGHT	3,600	4,000	0	4,000	4,000	0	4,000
64	65116D	General Support to C3I	2,396	2,691	-300	2,391	2,867	-300	2,567
65	65117D	Foreign Material Acquisition and Exploitation	4,186	13,911	0	13,911	13,668	0	13,668
66	65119D	General Support for A&L	2,403	3,248	0	3,248	3,422	0	3,422
67	65502D	Small Business Innovative Research	0	0	0	0	0	0	0
68	65711D	Critical Technology Analysis	2,133	4,296	1,000	5,296	4,400	1,000	5,400
69	65801S	Defense Technical Information Center	20,210	28,085	0	28,085	29,444	0	29,444
70	65802S	Information Analysis Centers	4,379	6,786	0	6,786	6,997	0	6,997
71	65472S	Productivity Investments	0	2,000	0	2,000	1,000	0	1,000
72	65898C	Management Headquarters (Strategic Defense In	19,900	22,030	-2,500	19,530	27,330	-3,000	24,330
73	65898E	Management Headquarters (Research and Develo	12,290	14,550	0	14,550	15,410	0	15,410
74	72867D	IR Focal Plane Array	0	44,119	0	44,119	78,624	0	78,624
75	78011S	Industrial Preparedness	5,359	8,700	0	8,700	10,800	0	10,800
76	91815D	Technology Transfer Functions	1,599	491	0	491	492	0	492
999	XXXXXXXXXX	Classified Programs	1,190,625	1,253,945	0	1,253,945	1,314,950	104,000	1,418,950
	XXXXXXXXXX	SDI-Undistributed Reduction	0	0	-1,078,793	-1,078,793	0	--	--
	XXXXXXXXXX	Undistributed Reduction	0	0	-50,000	-50,000	0	--	--
	XXXXXXXXXX	Technical Assistance Program	0	0	7,000	7,000	0	7,000	7,000
	XXXXXXXXXX	Cruise Missile Guidance Program	0	0	20,000	20,000	0	--	--
	XXXXXXXXXX	Extended Air Defense	0	0	100,000	100,000	0	--	--
	XXXXXXXXXX	Manufacturing Technology Initiative	0	0	100,000	100,000	0	160,000	160,000
		TOTAL RDT&E, DEFENSE AGENCIES	5,667,471	8,811,522	-387,518	8,424,004	10,120,664	941,819	3,541,095

UNIVERSITY RESEARCH INITIATIVE

The committee is concerned that the Department is inadequately funding the technology base, and in fact may be taking more from the nation's technology base than it is putting back into it. The long-term funding trends are decidedly downward. The technology base share of DOD funding, expressed as a percentage, has declined from about 3.1% of total DOD obligations in fiscal year 1965, to about 1% in fiscal year 1988. Expressed as a percentage of DOD RDT&E, this share declines from 25% in fiscal year 1965 to less than 8% in the fiscal year 1988 request.

There is evidence to suggest that this declining share of funding for the tech base has had an adverse effect, not only on the defense technology base, but on the technology base for all sectors of the United States economy. For example, high technology exports have declined from a surplus of almost $30 billion dollars in 1980 to a $3 billion deficit in fiscal year 1986. Considering the lead times involved in translating innovations in basic research into high technology hardware and the effect of defense research on the commercial sector, the policies leading to a declining proportion of defense resources directed to the technology base must be considered a contributing factor.

The committee believes there are many scientific and technical concepts with significant potential for defense applications that, with increased funding, are good candidates for accelerated investigation. Examples include, among others, the engineering of materials to have specific durable properties, sensors with tactile response, and the combination of theoretical, numerical, and laboratory modeling to improve ocean forecasting. In many cases, it is too early to determine the payoff to be derived from leap ahead technologies; however, the committee believes the technology base is the appropriate place to take the higher risks, rather than in the more expensive later phases of development programs.

There also appears to be unused capacity in the nation's universities, where some of the greatest scientific and technological opportunities exist. Of 815 proposals submitted by universities in response to the University Research Initiative, the Department judged 165 to have significant scientific merit, but could only fund 86. The evidence suggests that the University Research Initiative has been highly successful, and good programs are underway. The University Research Initiative currently underway should continue with additional funding, and new programs should be added to achieve the full benefit offered by the nation's educational resources.

Accordingly, the committee recommends that $203,212,000, which is $50 million above the Department's request of $153,212,000, be authorized. This additional $50 million is to be placed in an account within the Office of the Undersecretary of Defense for Acquisition to provide central oversight. The Department is encouraged to apply these funds to programs that are not only high payoff to the needs of the armed forces, but that will enhance the spin-off application of technological and scientific innovation to commercial industry.

The committee further believes that the University Research Initiative is an outstanding vehicle for interdisciplinary approaches to key fields of defense-related science and engineering. The committee recommends that the Department of Defense seek the advice of the National Academy of Sciences, the National Science Foundation and other appropriate agencies in implementing the URI, especially the interdisciplinary science and technology centers, in order to coordinate and maximize university research efforts on defense sciences and technologies.

DEFENSE MANUAFACTURING INITIATIVE

The committee recognizes that a strong, competitive defense industrial base is a key component of a strong national defense. For a variety of reasons, the defense industrial base is losing its ability to compete, in both cost and quality, with foreign sources for defense materials. As a result, an increasing proportion of critical defense items are being procured outside the United States.

This is especially true for the second and third tier industries. Because we must maintain an industrial base in the United States to prevent loss of critical defense production capability in time of war, as well as to prevent foreign countries from exerting undue influence over U.S. defense policy through control of defense supplies, these industries are essential to the cost-efficient production of high quality end items for the Armed Services during peacetime.

One of the underlying causes for the decline in domestic defense industry is the failure to keep pace with modern manufacturing technologies and processes. In many cases, advanced concepts are developed for defense systems, but the requisite manufacturing capability is not developed that would allow the comparative advantage offered by advanced technological concepts to be exploited in a timely manner.

To meet this need, the Department has developed a manufacturing technology program, patterned after a similar program in the Air Force, that focuses resources and ideas into improving the manufacturing capability of the defense industry. The program has the added benefit of transferring, or "spinning off," some of the technology to the commercial sector.

The committee is concerned, however, about the reduced support the Manufacturing Technology program is receiving in the Army and the Navy. Not only has the Army reduced funding for the program, but all funding in the fiscal year 1988 budget request will be applied to in-house efforts. Although the Navy's funding request has increased, the increase resulted from action taken by OSD.

Accordingly, the committee recommends establishment of a defense manufacturing initiative, and authorizes $150 million for this purpose in fiscal year 1988, and $210 million in fiscal year 1989. The committee commends the Air Force for its leadership in pursuing an effective program, and recommends that the Department more fully utilize the Air Force's capabilities in implementing this initiative.

The committee is critical of the approach taken by the Army and the Navy leading to the virtual dismantling of the manufacturing technology effort in those Services, and directs the Department to take a strong central oversight role in correcting the situation. The committee will hold hearings with the Department and the Services to review further the status of the manufacturing technology initiative, and will specifically focus on the Department's direction to, and oversight of, the Army and Navy manufacturing technology programs.

DEFENSE ADVANCED RESEARCH PROJECTS AGENCY

The committee is impressed with the Defense Advanced Research Projects Agency's capability to pursue innovative manufacturing technology programs in areas such as high-temperature superconductivity and use of expert systems in manufacturing processes. Therefore, the Department is directed to fund a generic manufacturing technology program within the Defense Advanced Research Projects Agency, and the committee directs that of the $150,000,000 authorized under the Defense Manufacturing Initiative in fiscal year 1988, $50 million be identified for this purpose.

SEMICONDUCTOR MANUFACTURING TECHNOLOGY

The committee has been persuaded by the Defense Science Board study ~~on~~ U.S. Semiconductor Dependency, and subsequent testimony before the committee, that there is a critical need to improve U.S. semiconductor manufacturing technology to maintain a viable U.S. semiconductor industry. This is critical to our defense because semiconductors are an essential enabling technology for all military electronic systems.

The original DSB study proposed a $360,000,000 annual budget increment to fund a joint industry-government semiconductor manufacturing technology institute and eight university centers of excellence for semiconductor science and engineering; to increase DOD spending for research and development in semiconductor materials, devices, and manufacturing infrastructure; and to provide a source of discretionary research and development funds to the Department's semiconductor suppliers.

The Department has requested $50,000,000 in each of fiscal years 1988 and 1989 for semiconductor manufacturing technology. The proposals from the semiconductor industry and the Department of Defense to utilize these funds are in the process of development. Because the committee is persuaded that there is a proper role for the Department in encouraging long-term, high-risk research on semiconductor manufacturing technology and because the committee recognizes the need for immediate action, an authorization of $100.0 million is recommended for each of fiscal years 1988 and 1989 for semiconductor manufacturing technology. This $50 million increase above the budget request each year is considered to be part of the Defense Manufacturing Initiative.

The committee strongly urges the Department and the semiconductor industry to define the details of the semiconductor manufacturing technology institute, including cost-sharing between government and industry, appropriate intellectual property sharing within the consortium and protection outside the consortium, and definition of specific goals for the institute. The Department should submit its specific plans for semiconductor manufacturing technology to the House and Senate Armed Services Committees within 60 days after enactment of this bill.

NATIONAL CENTER FOR MANUFACTURING SCIENCES

The committee notes that under the President's December 16, 1986 domestic action plan for the machine tool industry, the Department will provide up to $5 million per year over the next three years in matching funds to support the private sector National Center for Manufacturing Sciences (NCMS). The committee fully supports the NCMS and authorizes the Department to provide the necessary support for NCMS out of funds made available in the defense manufacturing initiative.

INDUSTRIAL BASE HEARINGS

Because of the committee's concerns for the health and vitality of the defense industrial base, the committee anticipates continuing with hearings to review problems confronting defense industries. The committee intends the focus of these hearings to be on second and third tier industries, such as those engaged in developing and manufacturing ball bearings, precision optics, and machine tools.

CRUISE MISSILE GUIDANCE

The committee notes that significant progress has been made in pursuing advanced technologies for cruise missile guidance. In particular, promising work has been started in the laser radar, infrared, synthetic aperture radar, and millimeter wave seeker programs. The committee believes these are promising technologies, but is concerned that the high costs associated with their implementation could be reduced. The committee notes that significant progress has been made in emerging processing and imagery technologies that would also contribute to enhancing cruise missile performance and cost effectiveness.

The committee recommends authorization of $20.0 million to pursue an advanced technology demonstration of a near-zero circular error probable (CEP) seeker that will achieve higher levels of cost effectiveness over current systems that do not offer near-zero CEP accuracy. The committee recommends the Department pursue technologies that offer the benefits of increased accuracy, improved terrain following, obstacle avoidance, enroute navigation, target ranging capabilities, and reduced mission planning costs.

The committee would welcome the opportunity to recommend further funding if the results of the technology demonstrations prove promising and cost effective.

TANK BARRIERS

The committee directs the Secretary of Defense to provide a report to the Congress on the status of programs to develop tank barriers and barrier technologies which are non-intrusive in peacetime, but which can be rapidly activated in time of crisis. The status report should include a survey of technology options and an assessment of their maturity and cost.

EXTENDED AIR DEFENSE

Last year the committee expressed its concern over the need to initiate efforts to develop anti-tactical ballistic missile (ATBM) defense systems in Europe because of the potential threat of Soviet short and medium range ballistic missiles (SS-21s, SS-23s and SS-12/22s) armed with conventional, chemical and nuclear warheads. The recent Soviet proposal for removing shorter-range ballistic missiles (SRINF) from Europe would, if accepted by NATO, lessen the requirement for ATBM, but the committee notes that such an agreement would still leave short-range Soviet SS-21s and cruise missiles in place in Europe and would not apply to short and medium range ballistic missiles outside Europe that pose a threat to U.S. allies in the Far East and Middle East. The committee remains convinced, therefore, that the department should proceed collaboratively with NATO and non-NATO allies to explore opportunities for developing an effective extended air defense system.

The committee notes that the department is conducting extensive discussions with NATO and non-NATO allies to explore the framework of a comprehensive plan for extended air defense. The committee understands preliminary discussions have been promising. The committee is willing to provide preliminary funding to initiate demonstration development of ATBM capabilities, and has included a provision (sec. 224(b)) which directs that the department is authorized to obligate $100 million for that purpose. However, the committee believes a comprehensive plan is necessary before any commitment to ATBM full scale development is contemplated.

In providing funds for initial ATBM activities, the committee emphasizes that this development program in no way contravenes the 1972 ABM Treaty or the Agreed Statement negotiated in 1978 by the United States and the Soviet Union in the Standing Consultative Commission (SCC). Accordingly, in authorizing funds for this program, the committee prohibits the Department of Defense from developing or testing the ATBM system or its components in such a manner that would make the systems or its components subject to the definitions of ABM system or components provided by the ABM Treaty and further clarified in the 1978 SCC Agreed Statement.

NATO COOPERATIVE RESEARCH AND DEVELOPMENT

The fiscal year 1986 Defense Authorization Act created the Atlantic Treaty Organization (NATO) cooperative research and development projects. The purpose of the program is to establish long term patterns of cooperation among the NATO allies in developing new weapon systems. This cooperation will reduce the wasteful duplication of development efforts, expand the production potential for any single system to achieve greater production efficiency and lower unit costs, and enhance the commonality of military equipment in the alliance.

The committee is very gratified to see the progress that has been made in implementing the program. The NATO allies have either completed or are in the process of negotiating several agreements to collaborate in the research and development of important conventional weapons. The program has given new impetus to alliance efforts to improve and expand armaments cooperation.

The Congress and the administration have worked closely to develop and promote the NATO cooperative research and development program during the past two years. The committee would particularly like to commend Deputy Secretary of Defense William Taft for his vigorous efforts on behalf of the program.

From the inception of the program, the committee has always envisioned annual increments of $200 million to sustain momentum behind the cooperative projects. Steady, consistent funding at this level is necessary to finance the U.S. share of new projects as well as the continuing U.S. costs of ongoing efforts. As a consequence, the committee was disappointed with the administration's request for only $60 million in fiscal year 1987 Supplemental Appropriations and $59 million in each of fiscal years 1988 and 1989.

It is very uncertain whether or not the Congress will approve any of the fiscal year 1987 Supplemental Appropriations request. In addition, the funds requested for fiscal years 1988 and 1989 are for less than the amounts needed to finance the second years of projects initiated in fiscal years 1987 and 1988. Therefore, the committee recommends that $200 million be authorized for the NATO cooperative research and development program in each of fiscal years 1988 and 1989.

COOPERATIVE R&D WITH MAJOR NON-NATO ALLIES

The fiscal year 1987 Defense Authorization Act established a cooperative research and development program with major non-NATO allies. Although on a smaller scale, this program is similar to the NATO cooperative research and development initiative created in fiscal year 1986. In these programs, countries engage in cooperative efforts to develop common weapons.

The committee understands that the Department of Defense has not spent any of the $40 million authorized for fiscal year 1987 for the U.S. share of the non-NATO program. Therefore, those funds (like other research and development funds authorized for fiscal year 1987) remain available for obligation during fiscal year 1988. Because none of the fiscal year 1987 funds have yet been spent, the Committee has not authorized a funding level for fiscal year 1989.

The committee recognizes that the benefits from U.S. defense collaboration with major non-NATO allies may be more limited than those from collaboration with NATO countries. Nonetheless, the committee believes that several major non-NATO allies have substantial technical capabilities in selected areas of defense technology. Therefore, the committee recommends that the Defense Department continue to explore worthwhile cooperative projects with major non-NATO allies.

RESEARCH AND DEVELOPMENT OF THE CHEMICAL DETERRENT

IMPROVED MASK DRINKING SYSTEM

The Army has identified a requirement for an Improved Mask Drinking System (IMDS) for personnel operating in a chemical warfare environment. However, it requested no funds for such a system for fiscal year 1988.

The committee has provided $600,000 for the Army to purchase a new mask drinking system for operational test and evaluation. This system should be a non-developmental item and should be adaptable to existing and future protective masks. The system should be single-hand operated and operated by hydraulics or some other mechanism. The program should be performed early enough to encourage procurement of these systems if warranted next year.

CHEMICAL WEAPONS CONVENTION COMPLIANCE MONITORING PROGRAM

The United States tabled a draft Convention on the Prohibition of Chemical Weapons in the Conference on Disarmament on April 18, 1984. Since that time, the Army Chemical Research, Development, and Engineering Center has proposed a program to develop and demonstrate compliance monitoring capabilities that would support this United States negotiating effort. The proposed program would be a three year effort costing an estimated $26 million. The committee has directed that $6.8 million be set aside to conduct the first year of this program.

HEAVY-LIFT LAUNCH VEHICLE (HLLV)/ADVANCED LAUNCH SYSTEM (ALS)

The committee is concerned that the Heavy Lift Launch Vehicle (HLLV)/Advanced Launch System (ALS) program is being pursued with too little participation by NASA. The committee is mindful of earlier assertions by SDI officials that the cost of space transport must be reduced by at least an order of magnitude for space-based defenses to be cost-effective. The committee has accepted that judgment. Reductions in launch costs of this magnitude would also revolutionize civilian space programs and activities, so that this capability would be of great benefit to NASA.

To insure that the committee's concerns are met, it adopted a legislative provision (sec. 226) requiring that, before any funds could be spent, the Secretary of Defense and the NASA administrator must jointly provide an assessment of the most cost-effective design approach for the HLLV/ALS and on a joint management plan to implement the program, together with a joint formal cost sharing agreement identifying the program's total cost for RDT&E, procurement and facilities construction and the shares of DOD and NASA's participation for fiscal year 1988 through fiscal year 1992.

The committee further directs DOD to make maximum use of the facilities and expertise of NASA in the design, testing and development of the HLLV/ALS.

The committee directs the department to utilize up to $100 million from funds appropriated pursuant to an authorization in this bill for the SDI program for DOD's portion of the RDT&E on the HLLV/ALS.

The committee reiterates its concern that the major focus of the effort shall be on reducing the cost of access to space, with the objective of achieving an order of magnitude reduction in the cost of launching payloads to low earth orbit.

STRATEGIC DEFENSE INITIATIVE

The administration requested $5.2 billion for the SDI in fiscal year 1988 in the DOD budget, and an additional $481 million in DOE funding, for a total RDT&E request of $5.68 billion. Another $123 million was requested in the military construction accounts. The $5.68 billion request is a real increase of 55 percent over the appropriated fiscal year 1987 total of $3.55 billion ($3.23 billion in DOD and $317 million in DOE).

The committee sought during its hearings, both open and closed, to obtain further details about so-called "early deployment" options, but was told that this designation was incorrect. The SDIO declares it is conducting planning for a "phased" deployment, recognizing that an elaborate, multi-layered SDI system cannot be deployed all at once. The committee reminds the SDIO that current law requires any deployment, in whole or in part, to be both specifically authorized and to meet the "Nitze criteria" of military effectiveness, adequate survivability and cost-effectiveness at the margin. During its hearings, the committee observed research progress in many areas, but sees nothing thus far that would suggest that any of the three criteria have been met.

The committee continues to support a robust SDI research program because it believes that such a program serves a number of valid U.S. national security purposes. First, the SDI continues to represent an important response to the threat to U.S. national security posed by the Soviet Union's continuing strategic spending, both for offensive forces and for strategic defenses.

Second, the committee continues to believe that a portion of the SDI research program should emphasize options for near-term deployment as a hedge against the possibility of a Soviet ABM "breakout" in the near-term. Since some have interpreted this guidance as calling for "early deployment," the committee further draws attention to the terms "option" and "hedge" in the preceding sentence. The committee commends the SDIO for its expeditious pursuit of the ERIS missile technology, and directs the SDIO to fully fund the ERIS FTV program so as to maintain the current development and flight test milestones. The committee regards this as an adequate hedge by SDI against near-term Soviet ABM "breakout." Activities under way in other areas to improve the capability of U.S. ballistic missiles to penetrate Soviet ABM systems also serve as an effective hedge.

Third, the administration has continued to place primary emphasis within the SDI program on comprehensive, virtually "leak-proof" strategic defenses that would remain highly effective in the face of a determined adversary utilizing responsive countermeasures. Defenses of this type would be very complex, and the ability of defensive technologies to support these goals is as yet uncertain. Accordingly, while the committee believes that the potential ability of ballistic missile defenses to provide comprehensive, nationwide population protection should continue to be explored, the major emphasis within the SDI should be dedicated to developing survivable and cost effective defensive options for enhancing the survivability of U.S. retaliatory forces and command, control and communications systems. The committee continues to be concerned that the SDI program has too much emphasis on the development of weaponry, and too little emphasis on the challenging aspects of sensor technologies, discrimination capabilities, the battle management architecture necessary to coordinate and control the activities of a large number of spatially distributed nodes, and software development and validation.

The committee does not doubt that it is technically feasible to "hit a bullet with a bullet." The SDI challenge is to do that with great regularity and high reliability, and to be able to achieve that, not against a single "bullet," but against thousands of them in the presence of perhaps millions of other objects that look like "bullets."

Fourth, the committee also supports a robust SDI reserch program for the leverage it provides to our negotiators in Geneva. The committee, however, believes that it is not necessary to fund the President's entire request for SDI to maintain our negotiating leverage in Geneva. It is the committee's belief that leverage for arms control negotiations comes only from real defense programs which are aimed at realistic objectives, adequately funded, and broadly supported by a bipartisan consensus. The committee believes our negotiators in Geneva are well-served by a robust and well-managed SDI research program.

In this regard, the committee would note that negotiating leverage is sometimes a perishable commodity. If we are to capitalize on the historic opportunities in arms control created in part by SDI, we should be prepared to consider adjustments to the pace and scope of SDI if the Soviet Union agrees to significant, stabilizing and verifiable reductions in strategic offensive forces.

SDI FUNDING

The committee supports the concept of a well-funded, long-term SDI research program. In the committee's judgment, the SDI will require a number of additional years before a candidate system that can meet the required criteria emerges, ready for a decision to proceed to engineering development. The challenge before the Congress is to provide adequate funding over the long term; the challenge before the SDIO is not to squander the current Congressional consensus supporting a robust SDI research program through ill-advised actions.

The committee has agreed to authorize $4,120.0 million for the SDIO from DOD funds and $380.0 million from DOE funds. As has been the committee's custom, the Director of the SDIO is granted the latitude to allocate funding reductions as he sees fit, subject to the guidance above, and that in section 232 and 233.

LIMITATIONS ON THE ALLOCATION OF SDI FUNDS

The committee in past years has provided the director of the SDI Organization with broad latitude to allocate SDI funds so as best to advance the program of research, without regard to the requested sums in the five SDI-related program elements, and without regard for normal reprogramming thresholds during the year. The committee insists, however, that latitude in allocating funds not permit major reorientations of the program without appropriate notification to or oversight by the committee.

Accordingly, the committee included a provision (sec. 232) that directs the Director of the SDIO to submit to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives within 90 days of enactment of appropriations for these purposes his allocation of appropriated SDI funds by program element and by project within the program elements. This will establish an annual baseline for SDI expenditures. Thereafter, the committee directs the SDIO Director to submit a formal reprogramming request for any funding adjustments at the program element level that would exceed the current reprogramming thresholds of the DOD.

LIMITATION ON DEVELOPMENT OR TESTING OF SPACE-BASED AND OTHER MOBILE ANTI-BALLISTIC MISSILE SYSTEMS

In 1972 during Senate consideration of the ABM Treaty, the Committee on Armed Services held extensive hearings on the proposed treaty. The committee, with our late colleague Henry M. Jackson taking the lead, closely questioned Nixon administration witnesses as to the meaning of the proposed treaty in terms of both then-current and future efforts to develop means of countering ballistic missiles.

The administration informed the committee that the treaty would permit research on all ABMs, including those using futuristic or "exotic" technologies (e.g., technologies employing physical principles other than those used in ABMs as of 1972). Testing and development of fixed, land-based ABMs (including "exotics") also would be permitted.

The administration further advised the committee that the treaty would prohibit testing, development, or deployment of space-based and other mobile ABM systems, including those using exotic technologies. The administration advised the committee that the distinction between permissible testing and development of fixed, land/based systems and mobile/space-based systems was a key part of the treaty. As General Palmer, Acting Chief of Staff of the Army, noted in response to a question from Senator Jackson: "The [Joint] Chiefs were aware of that and had agreed to that and that was a fundamental part of the final agreement."

The executive branch subsequently reaffirmed the meaning of the treaty as presented to the committee in 1972 on numerous occasions. As late as 1985, the Arms Control Impact Statement submitted to the Congress by the Reagan administration noted that the treaty prohibited testing, development, and deployment of mobile/space-based ABMs. The 1985 report of the Strategic Defense Initiative Organization also noted these restrictions in the treaty.

In late 1985, however, the Reagan administration announced a new interpretation of the treaty, permitting testing and development (but not deployment) of mobile/space-based ABMs using exotics. This momentous decision, which would have greatly expanded the scope of testing and development under the Strategic Defense Initiative, was taken with no prior consultation with this committee or Congress in general, no discussion with our allies, and no attempt to resolve the interpretative issue with the Soviets in the Standing Consultative Commission established under the ABM Treaty.

As a result of hearings before this and other committees in the Senate and House of Representatives, serious questions have been raised about the validity of the proposed reinterpretation of the ABM Treaty. To its credit, the administration has acknowledged deficiencies in its review of issues pertaining to interpretation of the ABM Treaty, and has pledged to consult carefully with the Congress before undertaking any further action contrary to the original meaning of the treaty as presented to this committee and the Congress in 1972.

The administration has stated that its research and development program for the Strategic Defense Initiative complies with the prohibition against testing and development of mobile/space-based ABMs using exotics. The administration has not requested any funding for fiscal years 1988 or 1989 to test or develop mobile/space-based AMBs using exotics. Nevertheless, the committee notes that the administration continues to insist that it reserves the right, acting without prior congressional approval, to initiate such testing and development within the period of time covered by this authorization act.

The decision to authorize expenditure of funds for the armed forces is one of the most significant constitutional responsibilities assigned to the Congress. The Strategic Defense Initiative is one of the most controversial and costly programs ever to be presented to the Congress. Without prejudging the wisdom and desirability of undertaking testing, development, and deployment of mobile/space-based ABMs using exotic technologies, it is imperative that Congress in general—and this committee in particular—examine in detail any proposed expenditures that would involve such a substantial change in policy.

This authorization act covers fiscal years 1988 and 1989, a period that will take us into the next administration. To ensure that consultations promised by the Reagan administration are carried out by its successor, and to ensure that any proposed changes in SDI testing and development policies are thoroughly examined from a strategic, budgetary, and programmatic perspective, the bill contains a prohibition (sec. 233) on expenditure of funds for testing or development of mobile/space-based ABMs (including ABMs using exotics) unless the President submits a report to the Congress and the Congress passes a joint resolution repealing the prohibition. The legislation contains procedures to ensure expedited congressional action. The President's report must set forth the specific tests that he proposed to undertake, mission and funding information, details about consultation with the allies, and a legal analysis of the proposed actions.

The bill sets forth a two-year time period for this limitation, consistent with the two-year authorization period in the bill. The bill also provides a means for the limitation to be removed during the 2 year period should both houses of Congress determine that such action were warranted. The committee believes this feature will give the President flexibility in arms control negotiations. It would be a serious mistake, however, for the administration to view this section as an invitation for it to implement the so-called reinterpretation of the ABM Treaty or to proceed with an early deployment scheme for SDI.

BALANCED TECHNOLOGY INITIATIVE

Last year, the Congress established the Balanced Technology Initiative (BTI) as part of a broad-based and balanced U.S. technology initiative addressing the entire range of nuclear and conventional deficiencies in our defense posture. As noted in last year's Senate Armed Services Committee Report, as well as last year's Conference Report on the Defense Authorization Act, Congress believes that the Strategic Defense Initiative (SDI) "should be but one part—albeit an important part" of this balanced approach.

The genesis of the BTI was a concern that the current and projected levels of SDI threatened to absorb an inordinate proportion of defense dollars allocated to research and development. Last year's committee and conference reports expressed concern about the real declines in research and development on basic new technology and on technology for conventional warfare. These reports noted that the sharpest decrease coincided precisely with the buildup of the SDI program. This year, the Congressional Budget Office has testified that the SDI research budget trends indicate that SDI will grow from 4 percent of all R&D in 1984 to 11 percent in 1988 to over 20 percent in 1990. Moreover, in joint hearings this year before the Defense Industry and Technology and Conventional Forces and Alliance Defense Subcommittees, it became clear that there is a continuing decline in conventional R&D. The concerns expressed by the committee and the Congress last year are only heightened by these projections.

The Committee notes again this year that the budget request for research and development on basic new technology and on technology for conventional warfare continues to suffer. In 1981, 16 percent of RDT&E funds were invested in the defense technology base. In real terms, the technology base funding share has declined every year since then. The fiscal year 1988 and 1989 requests are no exception as they barely even cover inflation. SDI, on the other hand, is requested at a 55 percent growth rate in the DOD accounts.

CONVENTIONAL DEFICIENCIES NEED EMPHASIS

Last year's conference report also noted that "if SDI research were successful in rendering nuclear weapons 'impotent and obsolete,' the United States would still require a second research and development effort to negate bomber-delivered and cruise-missile-carried weapons." In the conference committee's judgment, "the advent of low observables technology may well make this effort quite as challenging as the President's vision of SDI."

The fiscal year 1987 conference report went on to observe that "even if technology succeeds in eliminating the threat of both missile and bomber delivered nuclear weapons, the world's citizens may still not be freed from the threat of mass destruction, whether from clandestinely delivered nuclear weapons or from other forms of warfare. Moreover, our European allies would surely have reason to pause at the prospect of the elimination of nuclear weapons, in light of the enormous disparity in conventional forces between NATO and the Warsaw Pact."

This concern has been highlighted by the recent proposals to eliminate all INF and SRINF nuclear missiles.

In sum, NATO needs to vigorously pursue its technological capabilities in dealing with the threat of tank armies as well as the threat of ballistic missiles. If NATO is to find ways to reduce its current reliance on the threat of early use of nuclear weapons, it must harness its collective technological capabilities to counter quantitative advantages that provide the Soviet Union and its Warsaw Pact allies with a destabilizing capability for a short-warning conventional attack. The Balanced Technology Initiative is designed as a high-priority response to this threat. Its focus is on establishing a coherent program of research on ways to exploit the West's advantage in technology in order to increase the rate of obsolescence of Soviet and Warsaw Pact equipment, doctrine, and tactics.

COMMITTEE REAFFIRMS BTI

The committee reaffirms its strong support for the Balanced Technology Initiative that was established last year and authorizes funding of $300 million for fiscal year 1988 and $400 million for fiscal year 1989 to continue the programs initiated in fiscal year 1987.

The goal of the BTI program continues to be to strengthen the defense technology base and to increase the level of research on advanced conventional warfare technology with the objective of "leapfrogging" current quantitative imbalances and the narrowing qualitative advantages of current fielded equipment. It is designed to increase the obsolescence rate of existing Soviet force structure and present Soviet marshals with an unending series of long-term problems. The Committee continues to believe the areas of primary focus should include such efforts as armor/anti-armor initiatives; defenses against armed helicopters; hypervelocity missiles for ground combat use; defense against anti-ship missiles, including those with "stealth" characteristics; "smart" mines for both land and ocean warfare; lightweight, air transportable vehicles with anti-armor capabilities for rapid transport to remote areas; improved conventional anti-submarine warfare munitions; and "smart" standoff munitions and submunitions for aircraft delivery outside of lethal air defense ranges.

AUTHORIZED LEVELS FOR FISCAL YEARS 1988 AND 1989

The committee notes that there is widespread interest in the Department of Defense and within our alliances in this approach to improving our conventional forces and the conventional balance. Although $453 million was authorized in fiscal year 1987 in this area for both the technology base and the specified areas, the Department indicated only $183 million was available for such purposes in terms of final appropriated funds. Department witnesses testified that over 250 projects totalling $2 billion were proposed from within the Department for the Balanced Technology Initiative. While the Department considered many of these to have substantial merit, funds were only available for 35. The committee commends the Department for its overall coordination of this initiative and the difficult task it performed in working within the resource limitations to downselect from 250 to 35 the programs that meet the spirit and intent of BTI.

The committee also notes that the Department indicated that at least $288 million would be needed in fiscal year 1988 and $400 million in fiscal year 1989 to carry out those 35 projects. Although DOD indicated that they intend to insure those programs are funded, there was no money in the budget request to support them. Accordingly, the committee has included $300 million in new authority in fiscal year 1988 and $400 million in fiscal year 1989 to continue the 35 BTI programs initiated last year.

In addition, given the very large number of promising projects that were not chosen and funded as part of the fiscal year 1987 program, the committee also provides that $200 million from the funds for research and development in the Defense Department in fiscal year 1988 are available to the BTI program for new and innovative projects. The term "new and innovative" does not mean that these funds must be used only for new starts. The Committee, however, does not intend that these funds will be used for marginal programs that the Department is underfunding. The Committee recognizes that there may be high-risk, promising programs underway that could be included under the BTI program.

The $200 million funding for fiscal year 1988 would be offset by reductions in lower priority programs identified by the Department as part of its ongoing budget review and execution. The Committee will determine next year what additional funds, if any, must be provided to continue work on new BTI programs begun in fiscal year 1988.

The committee notes that these levels represent only a small percentage of the total amount that was identified by the Department as the amount that would be required to fund all 250 candidate programs which were nominated for funding under the BTI.

The committee reaffirms its intent that no portion of the funds provided for BTI can be applied to any program, project or activity in support of the Strategic Defense Initiative. This is necessary for two reasons: first, because SDI already enjoys high priority for funding within the Defense Department and second, because SDI cannot be expected to provide the requisite priority or central management to conventional force improvements. Because the section on BTI in the Department of Defense Authorization Act for fiscal year 1987 related only to last year's authorization and appropriations, similar bill language is included this year.

BTI/CDI

The committee also directs that the Department consider the Balanced Technology Initiative to be considered as a separate, independent (albeit complementary) program to the so-called Conventional Defense Initiative. The BTI developed from the conviction of the Senate that the creative energy and initiative currently being applied to technologies for the SDI should be directed as well to improving conventional forces. The CDI emerged from a conviction by the House that other countries have developed capable weapons and systems that could be used by U.S. forces. The fiscal year 1987 authorization conference report characterized the differences by stating that the CDI was designed to take advantage of conventional systems that are available today, whereas the BTI is designed to take advantage of technologies that hold great promise for the weapons systems of tomorrow.

The committee directs that the Secretary of Defense recognize these different approaches and initiatives and organize and manage the BTI as an independent program. The Secretary of Defense is directed to establish a separate program element in the five year defense plan entitled the "Balanced Technology Initiative."

TITLE III—OPERATION AND MAINTENANCE

The President's fiscal year 1988/89 budget request included $86,064.7 million for operation and maintenance of the armed forces and the component agencies of the Department of Defense in fiscal year 1988, and $90,045.1 million in fiscal year 1989.

For fiscal year 1988 the committee recommends authorization of $84,385.6 million, a reduction of $1,679.1 million from the budget request.

For fiscal year 1989 the committee recommends authorization of $86,898.1 million, a reduction of $3,147.0 million from the budget request. The recommended authorization for fiscal year 1989 will provide full inflation protection for the operation and maintenance accounts in fiscal year 1989.

The recommended authorization by account for fiscal years 1988 and 1989 is summarized in the following table.

In approaching the task of making reductions to the overall Defense budget necessary to comply with the budget targets, the committee tried to minimize the reductions to the operation and maintenance accounts. Where reductions were necessary, the committee made the reductions as broad and generic as possible in order to give Defense Department managers the flexibility to implement the reductions with the least harmful impact on Defense Department operations.

The committee's adjustments to the fiscal year 1988 operation and maintenance accounts are summarized below.

FUNDING ADJUSTMENTS

Fiscal year 1987 Inflation Savings—The committee recommends a reduction of $258.0 million based on lower than budgeted inflation for fiscal year 1987 purchases. This reduction assumes refunds to the operation and maintenance accounts during fiscal year 1988 of $51.0 million from the various industrial funds and $45.6 million from the stock funds.

Dental CHAMPUS—According to Defense Department officials, the recently awarded contract for the new Dental CHAMPUS program will result in savings of $46.2 million from the $119 million budgeted in fiscal year 1988 for this program.

Claims, Defense—The Claims, Defense account provides for the payment of all noncontracted claims against the Department of Defense as authorized by law. The fiscal year 1988/89 budget request included 93% growth in this account based on an unpaid backlog of claims for fiscal year 1987 and anticipated growth in claims for fiscal year 1988. The reduction of $75 million recommended by the committee to this account still allows for substantial growth over the fiscal year 1987 level.

Expense/Investment Criteria—The fiscal year 1988/89 budget request transfers $140.0 million from the military services' procurement accounts to the operation and maintenance accounts to raise the unit cost threshold on investment items from $5,000 to $25,000. This increase in the dollar threshold for investment items will permit items of equipment costing less than $25,000 to be purchased by local activity commanders through the operation and maintenance accounts. The committee strongly endorses this change in policy, and recommends a reduction of $40 million based on the improved efficiency of lease and procurement decisions under this new policy.

Travel and Transportation of Persons—The committee recommends a reduction of $85.5 million to this category of operation and maintenance costs. The recommended reduction will hold fiscal year 1988 travel and transportation costs of persons at the fiscal year 1987 level.

Base Operations Support—Base operations support is the largest single category of costs in the operation and maintenance budget. These funds provide all of the operating and supporting costs for U.S. military installations worldwide. The fiscal year 1988 budget includes growth of $762.7 million over fiscal year 1987, of which $250.3 million represents functional transfers from other areas. The committee recommends a reduction of $512.4 million to this area. This reduction allows for the functional transfers assumed in the fiscal year 1988 budget, but otherwise holds base operating support costs in fiscal year 1988 at the fiscal year 1987 level.

Contract Support Services/Contracted Advisory and Assistance Services—Contract Support Services/Contracted Advisory and Assistance Services include consulting, contract support, and related professional services provided to the Department of Defense on a contractual basis. The Committee recommended reduction of $149.4 million would reduce this category of costs to the fiscal year 1986 level, the last year for which actual expenditures are available.

Headquarters Reductions—The Goldwater-Nichols Department of Defense Reorganization Act mandated reductions in certain management headquarters in the Department of Defense by the end of fiscal year 1988. These reductions include a 15% reduction in the headquarters of the military departments; a 10% reduction to the headquarters of the Defense Agencies and a 15% reduction to the overall staffing of the Defense Agencies; and a 10% reduction to subordinate headquarters staffs in the Defense Department, excluding the staffs of the Unified and Specified Commanders in Chief. The fiscal year 1988 budget did not include any savings as a result of these mandated management headquarters reductions. The committee recommends a reduction of $20.0 million based on the anticipated savings in operating costs of reduced headquarters staffs.

B-1 Flying Hours—The Air Force budgeted for an increase in the annual flying hours per B-1 aircraft from 305 hours in fiscal year 1987 to 344 hours in fiscal year 1988. The committee questions whether the Air Force will actually be able to execute this increase in B-1 flying hours, and therefore recommends without prejudice a reduction of $17.1 million to the Air Force request in this area. If the Air Force finds that the requested increase in B-1 flying hours in fiscal year 1988 can in fact be executed, the Air Force should make funds available for this purpose from lower priority programs within its operation and maintenance account.

Command, Control and Communications—This category of operation and maintenance costs includes support of the communications and associated command and control efforts of the Defense Department. This category has one of the highest growth rates of any category of costs in the operation and maintenance accounts. The committee recommended reduction of $100 million reduces by half the amount of growth requested in this category of costs in fiscal year 1988.

Asset Capitalization Program—This program provides for modernization of the equipment in Department of Defense industrial facilities (shipyards and maintenance depots) through a surcharge on the cost of work performed at the facility. The fiscal year 1988 budget assumes that 5% of the revenues from work performed at these industrial facilities, or $891.3 million, will be reinvested into the modernization of these facilities. The committee recommended reduction of $226.2 million, to be refunded to the operation and maintenance accounts from the industrial funds, will reduce the level of investment in this area to 3% of industrial facility revenues.

Civilian Health and Medical Program of the Uniformed Services—The budgeted costs of CHAMPUS increase by 28% in fiscal year 1988 over fiscal year 1987, despite the planned phase-in of the CHAMPUS Reform Initiative. The committee recommended reduction of $130 million still allows for a 14% increase in CHAMPUS costs in fiscal year 1988 over the fiscal year 1987 level.

Primary Health Care Clinics—The committee reduction of $43.6 million in this area would defer expansion of these Primary Health Care Clinics pending an evaluation of the success of the CHAMPUS Reform Initiative. This item is discussed under the Health Care section of this report.

Army Depot Maintenance—The Army's depot maintenance program was severely underfunded in the fiscal year 1988/89 budget request. The committee recommends an increase of $100 million in this area. This increase will allow the Army to fund 85% of its fiscal year 1988 depot maintenance requirement instead of the 79% in the fiscal year 1988 budget request.

Classified Programs—The committee bill includes reductions in certain classified programs of $88.8 million in fiscal year 1988 and increases in certain classified programs of $180.1 million in fiscal year 1989.

The table on the following page summarizes the committee's recommended adjustments to each of the operation and maintenance accounts for fiscal year 1988.

MILITARY BANDS

The committee directs the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and House of Representatives by February 1, 1988 outlining and justifying the number of, and expenditures for, military bands in the Department of Defense.

TRAVEL OF HIGH-RANKING DEFENSE OFFICIALS

The committee requests the General Accounting Office to submit a report to the Committees on Armed Services of the Senate and House of Representatives on the current policies and procedures of the Department of Defense concerning the use of military aircraft versus commercial aircraft for travel of high-ranking military and civilian officials in the Department of Defense. This report should also examine the manner in which those policies and procedures were actually carried out during fiscal year 1987. The committee believes that appropriate sampling techniques can be used in carrying out this review rather than a complete review of all travel documents for administrative travel by senior Defense Department officials.

The term "high-ranking military and civilian officials" refers to military officers in the grade of 0–6 and above and civilian officials in the Senior Executive Service, the Executive Schedule and all other Defense Department civilian employees paid at rate equal to or above the annual salary of a member of the Senior Executive Service.

REVOLVING AND MANAGEMENT FUNDS

The Department of Defense Stock Funds provide for the financial management, inventory control and distribution of consumable items of supply and low cost-equipment to support both peacetime and wartime operations. Stock fund inventories include consumable spare and repair parts used in maintenance programs to repair equipment, as well as fuel, rations, medical supplies and general and administrative supplies necessary to maintain the readiness and sustainability of the military services' weapon systems and personnel.

The stock funds operate under a revolving fund concept. The corpus of each fund consists of inventory and cash. Sales of stock fund inventory generate case that is used to replenish inventory levels.

The fiscal year 1988 budget request included $1,131.9 million for augmentation of existing stock fund inventories and buildup of war reserve stocks.

The committee recommends a reduction of 10%, or $120 million, to the fiscal year 1988 budget request for stock fund capitalization. For fiscal year 1989, the committee recommends authorization of the budget request.

The following table summarizes the committee's actions in this area.

Revolving and Management Funds
($ in millions)

	FY1988 Request	Committee Recommends	Difference	FY1989 Request	Committee Recommends
Army Stock Fund	263.2	236.9	-26.3	349.9	349.9
Navy Stock Fund	404.4	364.0	-40.4	434.6	434.6
A.F. Stock Fund	326.0	293.4	-32.6	224.7	224.7
Def. Stock Fund	207.6	186.8	-20.7	122.7	122.7
TOTAL	1,201.1	1,081.2	-120.0	1,131.9	1,131.9

LEGISLATIVE PROVISIONS

PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM

The Procurement Technical Assistance Cooperative Agreement Program, created by the Department of Defense Authorization Act for fiscal year 1985, involves cost-sharing agreements between the Department of Defense and state, local, and private non-profit organizations providing technical assistance to firms wishing to do business with the Department of Defense. Sixty-seven procurement outreach centers across the United States are currently operating under the program.

Preliminary information indicates that these centers are serving to increase competition and expand the defense industrial base. Accordingly, the committee recommends that $7 million be authorized annually to extend the Procurement Technical Assistance Cooperative Agreement Program through fiscal years 1988 and 1989. Over the time period covered by this authorization, however, the committee intends to evaluate the costs and benefits of supporting these procurement outreach centers to ensure that the program is being effectively administered.

SCHOOL OF THE AMERICAS FUNDING

The committee bill includes a provision (sec. 321) requested by the administration which authorizes the fixed costs of operating the Army's School of the Americas at Fort Benning, Georgia, to be paid from the Operation and Maintenance, Army account. Variable costs of the school would continue to be funded through the State Department's International Military Education and Training (IMET) program. Previously, all costs of the school were funded through the IMET program.

AVAILABILITY OF U.S. WINES AT OVERSEAS PACKAGE BEVERAGE STORES

The committee recommends a provision (sec. 322) requiring the Secretary of Defense to ensure that overseas package beverage stores located on military installations give appropriate treatment to wines produced in the United States. In general, the Secretary of Defense shall ensure that American wines are given an equitable distribution, selection and price in comparison to wines produced by host nations.

CONTRACTS FOR OVERHAUL REPAIR AND MAINTENANCE OF NAVAL VESSELS

The committee recommends a provision (sec. 323) that insures that before funds may be obligated or expended for the overhaul, repair or maintenance of Naval vessels, the Secretary of the Navy must comply with the provisions of Section 7299a of Title 10 as amended by section 1201 of the Department of Defense Authorization Act, 1987. This section of Title 10 requires, among other things, that the Secretary of the Navy, in evaluating bids or proposals for a contract for the overhaul, repair or maintenance of a naval vessel, shall consider foreseeable costs of moving the vessel and its crew from the homeport to the outside area and from the outside area back to the homeport at the completion of the contract in determining the cost or price of work to be performed in an area outside the area of the homeport of the vessel.

EXTENSION OF AUTHORIZATION FOR HUMANITARIAN ASSISTANCE

The committee recommends a provision (sec. 331) authorizing $13.0 million to transport humanitarian relief supplies to Afghan refugees. Of this total, $3.0 million can be used for transportation expenses to deliver relief supplies to the Thai-Cambodian border. This program was first authorized in the Fiscal Year 1986 Defense Authorization Act.

The committee recommends the Secretary of Defense be authorized to transfer to the Secretary of State, or his designated representative, up to $3.0 million of the total appropriation authorized by this section to provide for administrative expenses and local transportation, including the purchase, lease or rent of transportation assets.

The committee fully intends for these fiscal year 1988 funds as well as all prior year funds, for transportation expenses to be used for only these expenses normally associated with administration and transportation of humanitarian cargo and medical patients.

The expenses for transportation of government administrators, partial trip packaging and/or repackaging of supplies, and additional in-flight and enroute expenses required by medical patients should be borne by the Department of Defense from the funds authorized.

This section provides funds for the distribution of humanitarian relief supplies to refugees from the airport where the supplies are delivered to the individual refugee camps and the transport of medical patients. The limit of $3.0 million is placed on these administrative expenses to discourage misuse of funds or transfer to other U.S. agencies for items normally included in their budget requests.

CODIFICATION OF AUTHORIZATION FOR HUMANITARIAN ASSISTANCE

The committee recommends a provision (sec. 332) which provides authority to the Secretary of Defense to transport on a space available basis, at no charge, to any country, goods and supplies which have been furnished by a nongovernmental source and which are intended for humanitarian assistance.

This authority was first adopted by the Congress in the Fiscal Year 1985 Defense Authorization Act, but limited in scope to Central America. It was expanded in the Fiscal Year 1986 Defense Authorization Act to provide authority to transport goods and supplies to any country in the world. The committee has monitored this program closely and believes that it provides valuable assistance to nongovernment groups in the United States in sending humanitarian aid. The committee recommends that this authority be codified in title 10.

SUMMARY OF
OPERATION AND MAINTENANCE
CHANGES

	FY 1987 ESTIMATE AMOUNT	FY 1988 REQUEST AMOUNT	FY 1988 AUTHORIZED AMOUNT	FY88 AUTH. +/- TO FY88 REQUEST AMOUNT	FY 1989 REQUEST AMOUNT	FY 1989 AUTHORIZED AMOUNT	FY89 AUTH. +/- TO FY89 REQUEST AMOUNT
ARMY	20,515,016	22,120,394	21,691,300	-429,094	23,679,570	22,583,196	-1,096,374
NAVY	23,423,965	25,652,830	25,088,159	-564,671	26,526,092	25,590,098	-935,994
MARINE CORPS	1,809,640	1,918,367	1,899,966	-18,401	1,939,216	1,906,735	-32,481
AIR FORCE	18,956,773	21,325,282	20,979,747	-345,535	22,208,044	21,532,955	-675,089
DEFENSE AGENCIES	8,544,533	7,602,907	7,393,551	-209,356	7,800,619	7,689,758	-110,861
ARMY RESERVE	795,121	879,103	872,178	-6,925	958,229	915,050	-43,179
NAVY RESERVE	891,761	957,115	940,754	-16,361	1,036,814	983,626	-53,188
MARINE CORPS RESERVE	64,167	71,361	68,972	-2,389	85,160	73,485	-11,675
AIR FORCE RESERVE	932,467	1,018,257	1,010,352	-7,905	1,070,395	1,037,429	-32,966
ARMY NATIONAL GUARD	1,769,258	1,862,152	1,849,664	-12,488	2,055,011	1,955,715	-99,296
AIR NATIONAL GUARD	1,795,528	1,972,992	1,968,974	-4,018	2,030,888	2,002,820	-28,066
RIFLE PRACTICE, ARMY	4,332	4,099	4,099	0	4,285	4,285	0
CLAIMS, DEFENSE	144,400	273,574	198,574	-75,000	211,152	198,574	-12,578
U.S. COURT OF MILITARY APPEALS, DEFENSE	3,237	3,461	3,461	0	3,522	3,522	0
ENVIRONMENTAL RESTORATION FUND, DEFENSE	0	402,800	402,800	0	436,100	420,851	-15,249
PAN AMERICAN GAMES	18,000	0	0	0	0	0	0
HUMANITARIAN ASSISTANCE	10,000	0	13,000	13,000	0	0	0
TOTAL	79,678,198	86,064,694	84,385,551	-1,679,143	90,045,097	86,898,099	-3,146,998

OPERATION AND MAINTENANCE
Fiscal Year 1988
Adjustments by Appropriation
(Dollars in Thousands)

	ARMY	NAVY	MARINE CORPS	AIR FORCE	DEFENSE AGENCIES	ARMY RESERVE	NAVY RESERVE	MARINE CORPS RESERVE	AIR FORCE RESERVE	ARMY NATIONAL GUARD	AIR NATIONAL GUARD	RIFLE PRACTICE, ARMY	CLAIMS, DEFENSE	U.S. COURT OF MILITARY APPEALS	ENVIRONMENT RESTORATION DEFENSE	HUMANITARIAN ASSISTANCE	TOTAL
BUDGET REQUEST	22,120,394	25,652,830	1,918,367	21,325,282	7,602,907	879,103	957,115	71,361	1,018,257	1,862,152	1,972,992	4,099	273,574	3,461	402,800	0	86,064,694
FY1987 Inflation Savings	-62,400	-93,700	-5,200	-66,600	-17,600	-1,700	-3,000	-300	-1,000	-3,700	-2,800						-258,000
Claims													-75,000				-75,000
Expense/Investment Criteria	-10,300	-13,200	-2,000	-7,800	-5,200		-400		-100		-1,000						-40,000
Travel/Transportation	-22,486	-15,254	-401	-10,435	-22,620	-5,225	-2,261	-289	-205	-6,088	-218						-85,482
Base Operations Support	-271,300	-76,000	-7,600	-112,800	-22,900		-10,700	-1,800	-6,600	-2,700							-512,400
Contract Support Services	-21,929	-86,217			-41,236												-149,382
Headquarters Reductions	-5,000	-4,000	-1,000	-5,000	-5,000												-20,000
Command,Control and Communications	-25,000	-50,000		-10,000	-15,000												-100,000
Asset Capitalization Program	-31,700	-142,500	-2,200	-49,800													-226,200
B-1 Flying Hours				-17,100													-17,100
CHAMPUS Growth	-44,200	-50,700		-35,100													-130,000
Dental CHAMPUS Overpricing	-15,700	-18,000		-12,500													-46,200
Primary Health Care Clinics	-16,479	-13,900		-13,200													-43,579
Depot Maintenance	100,000																100,000
Humanitarian Assistance																13,000	13,000
Classified Programs	-2,600	-1,200		-5,200	-79,800												-88,800
TOTAL	21,691,300	25,088,159	1,899,966	20,979,747	7,393,551	872,178	940,754	68,972	1,010,352	1,849,664	1,968,974	4,099	198,574	3,461	402,800	13,000	84,385,551

TITLE IV—PERSONNEL AUTHORIZATIONS AND RELATED ITEMS

This year, the Subcommittee on Manpower and Personnel held several hearings to receive testimony from the Department of Defense, the Congressional Budget Office, the General Accounting Office, and public witnesses on the manpower and personnel portion of the Defense Authorization request for fiscal years 1988 and 1989. Based on these hearings, and on material presented in reports and other justification material, the committee took action to recommend the authorization of strength levels, training loads, and other personnel and compensation initiatives.

To the extent justified the committee recommended authorizations for both fiscal year 1988 and 1989.

ACTIVE DUTY END STRENGTHS

The Department of Defense requested an active duty end strength of 2,172,400 for fiscal year 1988 and an active duty end strength of 2,184,400 for fiscal year 1989. The committee recommends that the end strength requests be approved.

The Committee notes that the Navy is the only service requesting substantial increases over the two year period. Although the increases are justified on the basis of ships and squadrons that are entering the inventory, the Committee is concerned about the validity of shore requirements needed to support the fleet. The committee suggests that the Department of Defense look into the validity of the manpower requirements of the support elements of the military services and be prepared to address this issue comprehensively in hearings next year.

The committee's recommendation which is the same as the budget request for fiscal years 1988 and 1989, for each military service is shown below:

Active Duty End Strengths

	FY87 Estimate	FY88	FY89
Army	780,800	780,900	780,900
Navy	587,000	593,200	602,800
Marines	199,600	199,600	200,100
Air Force	606,850	598,700	600,600
Total	2,174,250	2,172,400	2,184,400

SELECTED RESERVE END STRENGTHS

The Department of Defense requested a Selected Reserve end strength of 1,203,800 for fiscal year 1988 and a Selected Reserve end strength of 1,228,700 in fiscal year 1989.

The requested end strength levels would increase Selected Reserve strength by 33,564 and 24,900 in fiscal years 1988 and 1989, respectively. The Committee recommends that the Selected Reserve be authorized 40% of the requested growth in each of the fiscal years, respectively.

The committee believes these adjustments are appropriate because the Reserve Forces need to improve the individual skill qualification of the current inventory before adding much more to it. In addition, the Reserve Forces need to review the utilization of its full time manning resources to ensure these resources are applied directly to the wartime readiness of the Reserve Forces.

The committee's recommendation for each of the Reserve components is shown below:

Selected Reserve End Strengths

Administration Request

	FY1987	FY1988	FY1989
Army National Guard	452,681	458,800	464,900
Army Reserve	319,378	330,400	339,100
Naval Reserve	149,486	157,400	161,700
Marine Corps Reserve	42,800	43,700	44,500
Air National Guard	113,429	116,700	117,700
Air Force Reserve	79,562	83,300	85,500
Coast Guard Reserve	13,000	13,500	15,300
Total	1,170,336	1,203,800	1,228,700

Committee Recommendation

	FY1987 Estimate	FY1988 Auth	Request Diff.	FY1989 Auth	Request Diff.
Army National Guard	452,681	454,200	$-4,600	$455,700	$ -9,200
Army Reserve	319,378	322,100	-8,300	324,300	-14,800
Naval Reserve	149,486	151,500	-5,900	152,600	-9,100
Marine Corps Reserve	42,800	43,600	-100	44,300	-200
Air National Guard	113,429	115,900	-800	116,700	-1,000
Air Force Reserve	79,562	82,400	-900	84,000	-1,500
Coast Guard Reserve	13,000	13,500	-0-	15,300	-0-
Total	1,170,336	1,183,200	-20,600	1,192,900	-35,800

RESERVE FULL TIME SUPPORT END STRENGTHS

The committee continues to be concerned about the growth in full-time support manpower in the Reserve components. Although some progress has been made by the Department of Defense in justifying full-time support requirements, further oversight is required to ensure these resources are applied directly to the wartime readiness of the Reserve Forces.

The committee suggests that the Office of the Secretary of Defense evaluate the mix of Active Guard and Reserve (AGR) and civilian technician resources with a view toward establishing a uniform policy for their utilization and management among the various components. The committee looks forward to the results of the 6th Quadrennial Review of Military Compensation which will be reporting on Reserve compensation and benefits in the expectation that the report will assist the committee in addressing this particular issue.

Although Department of Defense and individual service representatives addressed the committee's suggestion in last year's report that the Reserve components consider meeting its requested increases from the active components, they did so in only a general manner. The committee continues to believe that the Department of Defense needs to examine this issue on a more specific and analytical basis. The committee will review this issue again next year.

Consistent with the growth recommended in Selected Reserve end strength, the committee recommends that 35% of the increases requested for reserve full-time support for fiscal years 1988 and 1989 be approved. The committee intends that these increases be applied directly to wartime readiness requirements in the Reserve Forces.

The committee's recommendation for each component is shown below:

Reserve Full-Time Support End Strengths

Administration Request

	FY1987	FY1988	FY1989
Army National Guard	25,060	26,389	27,718
Army Reserve	12,407	14,250	16,000
Naval Reserve	21,476	22,505	23,665
Marine Corps Reserve	1,745	2,015	2,285
Air National Guard	7,631	7,906	7,972
Air Force Reserve	665	669	669
Total	68,984	73,734	78,309

Committee Recommendation

	FY1987 Estimate	FY1988 Auth	Request Diff.	FY1989 Auth	Request Diff.
Army National Guard	25,060	25,390	-999	25,720	-1,998
Army Reserve	12,407	12,867	-1,383	13,307	-2,693
Naval Reserve	21,476	21,991	-514	22,571	-1,094
Marine Corps Reserve	1,745	1,945	-70	2,145	-140
Air National Guard	7,631	7,836	-70	7,886	-86
Air Force Reserve	665	669	-0-	669	-0-
Total	68,984	70,698	-3,036	72,298	-6,011

ACTIVE DUTY RESERVE SUPPORT GRADE CEILINGS

The numbers of active duty reserve support personnel in the grades of E-9, E-8, O-4, O-5, and O-6 are authorized by statute. In reviewing the numbers requested by the Department of Defense for these grades for fiscal years 1988 and 1989, the committee found that there were inconsistencies in the numbers requested. Specifically, the numbers reflected in proposed authorizing legislation bill submitted to the congress by the Department of Defense were different than those submitted in fiscal years 1988/89 budget justification material. This inconsistency raises questions about the underlying requirements for the numbers of active duty reserve personnel.

The committee suggests that the Office of the Secretary of Defense exercise more stringent oversight over the validation of the requirements that are the basis for the authorizations requested in this area. The committee intends to review this issue in greater detail next year.

The committee's recommendation for each military service is shown below:

Active Duty Reserve Support Grade Ceilings

Fiscal Year 1988

	Army	Navy	Air Force	Marine Corps
E-9	517	175	125	13
E-8	2,295	390	400	74
O-4	2,500	850	550	105
O-5	1,152	520	295	70
O-6	348	185	184	25

Fiscal Year 1989

	Army	Navy	Air Force	Marine Corps
E-9	529	180	150	13
E-8	2,350	400	425	74
O-4	2,600	875	575	110
O-5	1,250	520	300	75
O-6	348	185	190	25

MILITARY TRAINING STUDENT LOADS AUTHORIZATION

The committee recommends approval of the military training student loads requested by the Department of Defense for fiscal years 1988 and 1989. The Secretary of Defense shall adjust these training loads consistent with the the manpower strengths authorized in other parts of this bill.

The committee urges the Secretary of Defense to take vigorous action to improve the status of individual skill qualification of personnel in the Reserve Forces. Deficiencies in this area are reported to be the second most critical factor limiting the combat readiness of our Reserve Forces. The committee believes strong emphasis on training, especially in the Army Reserve, must be applied to this problem. The committee intends to review this issue in greater detail next year.

Authorization of Training
Student Loads

	FY1988	FY1989
Army	82,503	81,320
Navy	68,993	70,044
Marine Corps	20,341	19,873
Air Force	38,574	39,972
Army National Guard	18,501	19,707
Army Reserve	15,075	15,950
Naval Reserve	2,841	2,841
Marine Corps Reserves	3,970	3,977
Air National Guard	2,508	2,366
Air Force Reserve	1,968	1,965
Total	255,274	258,015

ROTC SCHOLARSHIP

The committee recommends that the specification of the number of ROTC scholarships that is currently mandated in statute by service be amended to give the Secretary of Defense authority to allocate the total number of ROTC scholarships in the Department of Defense according to need (sec. 432). The Department of Defense supports this recommendation since it would provide more flexibility in the management of this important officer recruitment program in the Department of Defense.

CIVILIAN STRENGTH MANAGEMENT

The Department of Defense requested that the requirement for a civilian end strength authorization for fiscal years 1988 and 1989 be waived.

The committee recommends that the requested waiver be granted, but that the funds for payment of civilian salaries and wages be limited to $35.1 billion in fiscal year 1988, and $35.4 billion in fiscal year 1989 the amount requested in the budget submission as required to support the estimated civilian workforce in the Department of Defense for fiscal years 1988 and 1989. The committee believes that limiting the Department of Defense to a dollar amount would provide the increased flexibility desired by Defense Department managers but still ensure an appropriate level of control and oversight by the Congress.

The committee intends to evaluate the performance of the Department of Defense over the next two fiscal years in managing civilian personnel strengths under this system of control.

TITLE V—MILITARY PERSONNEL

EXTENSION OF CERTAIN EXPIRING AUTHORITY

The Department of Defense has requested the extension of certain authorities that expire at the end of fiscal year 1987. These temporary authorities have been granted by the Congress in the past to assist the Department of Defense in attracting and retaining required personnel. The Committee recommends the following authorities be extended to September 30, 1989:

(1) the authority of the Secretary of the Army and the Secretary of Air Force to appoint a person as a Reserve officer in the Medical Corps with credit applied for education and experience in the determination to which grade the person will be appointed (sec. 502(a));

(2) the authority to promote certain Reserve officers who would be promoted but for their service on extended active duty (sec. 502(b));

(3) the authority of the Secretary of the Navy to make temporary promotions of certain Navy lieutenants possessing critical skills and serving in positions requiring exercise of the skill (sec. 501);

(4) the authority for enlistment and reenlistment bonuses for the Reserve Forces (sec. 636);

(5) the authority for computing mandatory transfer of Reserve officers to the Retired Reserve (sec. 502(c)); and

(6) the authority for single parents leaving active duty in the Armed Forces to join the Reserve components (sec. 503).

EXTENSION OF AUTHORITY FOR ADDITIONAL THREE AND FOUR STAR GENERAL AND FLAG OFFICER GRADES

The Department of Defense has requested that the temporary authority for the Navy, Air Force, and Marine Corps to have additional three and four star general and flag officer grades be extended through fiscal year 1989. The current authority allows the Navy to have three more three star officers, the Air Force to have one more four star officer, and the Marine Corps to have two additional three star and one additional four star officers. The authority expires at the end of fiscal year 1987. The committee recommends denial of the request.

The committee believes that the Department of Defense can do a better job of managing its three and four star assets if authority is provided to the President to re-align a limited number of three and four star authorizations among the military services. Under current statute, the number of three and four star officers that a particular military service can have is governed by a formula. That formula allows a military service to have 15 percent of the total number of general or flag officers it has to be in the three and four star grades. Of that number, 25 percent can be in the four star grade. There is no flexibility in the formula that would allow vacant three or four star positions in one service to be allocated to another service.

In order to allow the Department of Defense to accommodate its three and four star grade needs under the formula, the committee recommends a provision (sec. 504) that would authorize the President to re-align temporarily up to 10 percent of the number of three star billets and 15 percent of the number of four star billets that are authorized for each military service in the aggregate for each grade. In order to provide for reasonable transition, the committee also recommends that all incumbents as of September 30, 1987 be grandfathered as along as they continue to be assigned to the positions which they hold on that date.

The committee notes that had this authority existed, the Department of Defense would not require the authority for the two additional four star grades since there are unfilled four star billets in the Army that could be applied to the requirement.

ACTIVE DUTY OFFICER CORPS STRENGTHS

The Department of Defense requested repeal of the 6% officer reduction imposed by the fiscal year 1987 Defense Authorization Act. The Act required the Department of Defense to make 1% officer reduction in fiscal year 1987 from the actual fiscal year 1986 end strength level, and subsequent cuts of 2% and 3% in fiscal years 1988 and 1989. The Act further required the Department of Defense to submit a report to the Congress detailing the allocations of the reduction of the 1% and 2% reduction by February 1, 1987. The Department of Defense failed to comply fully with this requirement. In addition the Department of Defense has not provided compelling justification to support its request for repeal of the second and third years of the required reductions. Therefore, the Committee recommends that the request be denied.

FEDERAL AND STATE CONTROL OF NATIONAL GUARD TRAINING

The committee is concerned about the provisions enacted in the fiscal year 1987 Defense Authorization Act which established conditions under which a governor could withhold consent for federal training outside the United States of units and members of the National Guard of the United States. The committee believes that the language, while well intentioned, fails to resolve the basic underlying problem. The language provided that a governor could not withhold consent because of the location, purpose, type, or schedule of such training.

The committee believes the existing language would be extremely difficult to enforce because of its ambiguity. The only courses of action available in a stalemate between a governor and a President would be a cut-off of federal funds to the State or a lawsuit, both of which involve legal as well as practical concerns. As an alternative, the committee recommends a provision (sec. 505) that would remove the ambiguity by authorizing governors to withhold consent for active duty for training of such personnel unconditionally, but allow the President to order such units or members to active duty for training, notwithstanding that lack of consent, if the President certifies to the governor concerned that such active duty is required for national security.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

MILITARY PAY RAISE FOR FISCAL YEARS 1988 AND 1989

The Department of Defense has requested increases in basic pay, and basic allowances for subsistence and quarters for all personnel of 4.0 percent and 4.3 percent for fiscal years 1988 and 1989 respectively. The raises are requested to be effective on January 1, 1988, and January 1, 1989.

The committee recommends approval of the 4.0 percent request for fiscal year 1988 (sec. 601), but deferred action on the fiscal year 1989 military pay raise. The 4 percent raise in fiscal year 1988 will essentially match expected wage growth in the private sector and prevent the current 9.4 percent gap between military pay and private sector pay from widening. The committee recommends deferring the authorization of the pay raise for fiscal year 1989 because of the uncertainties involved in projecting private sector wage growth and other economic factors that bear on pay raise decisions.

QUARTERS ALLOWANCE FOR MEMBERS WHILE AT SEA

The Department has requested that service couples above the E-3 grade be allowed to continue to draw housing allowances when both members are assigned to sea duty simultaneously. This would allow these couples to draw housing allowances like other married members. Currently, these service couples are treated as single members for housing allowance purposes and lose their entitlement to housing allowances while at sea. The Committee recommends a provision (sec. 602) incorporating the Defense Department's request. The Committee intends to request the GAO to look into compensation for service couples to determine if any other changes in the compensation for this group are warranted.

VARIABLE HOUSING ALLOWANCE FOR CERTAIN MEMBERS WHILE AT SEA

The Department of Defense has requested a change to existing law which denies variable housing allowances to servicemembers who are considered "with dependents" solely by reason of paying child support when the servicemember is assigned adequate unaccompanied government quarters. Currently, a single member in the grade of E-7 or above is permitted to maintain private quarters on shore while on sea duty and draw basic allowance for quarters and variable housing allowance. On the other other, a like member who is treated as "with dependents" because of child support, loses the variable housing allowance he was drawing when he is assigned to sea duty. The committee recommends a provision (sec. 603) which will allow this member to continue to draw the VHA, just like the first single member.

HOUSEHOLD GOODS WEIGHT ALLOWANCES FOR SENIOR ENLISTED PERSONNEL

The committee recommends a provision (sec. 604) that would revise the household goods weight allowances for senior enlisted personnel. The proposal would raise allowances for specified grades as follows: 1) E-7 from 8,500 pounds to 9,500 pounds (the O-1 rate); 2) E-8 from 9,000 pounds to 10,000 pounds (the O-2 rate); and 3) E-9 from 9,500 pounds to 11,000 pounds (the O-3 rate). The committee believes the revised allowances are more consistent with the household goods weight allowance needs in these grades.

SPECIAL CIVILIAN CLOTHING ALLOWANCE

The Department of Defense has requested a special clothing allowance for military personnel who are assigned to high threat overseas areas where the wearing of civilian attire is mandatory. The committee recommends approval of the Defense Department proposal (sec. 605).

LODGINGS PLUS PER DIEM

The Department of Defense has requested repeal of the requirement for the Secretary of Defense to certify that implementation of the Lodgings Plus Per Diem system authorized in the fiscal year 1987 Defense Authorization Act, would result in savings before it could be implemented. The Lodgings Plus System simplifies reimbursements for government directed travel and makes the system for the military the same as for civilians in the DOD. A traveler gets a fixed rate for per diem and must produce a receipt for lodging, which is up to specified locality limits. The Department of Defense has provided information that indicates that costs or savings resulting from implementation would be marginal and the Secretary of Defense is unable to certify, in advance, that implementation of the system would save money. However, the administrative convenience to the Defense Department and to military members would be significant.

The committee therefore recommends a provision (sec. 606) repealing the certification requirement contained in the fiscal year 1987 Defense Authorization. The Committee intends to monitor implementation of this new reimbursement system.

DISLOCATION ALLOWANCE

The committee recommends a technical correction to section 407 of title 37, U.S.C., to insure that the advance payment authority for the dislocation allowance is continued (sec. 621).

OVERSEAS TOUR EXTENSION INCENTIVE

The Department of Defense has requested authority to provide roundtrip transportation allowances to military members and their families when members voluntarily agree to extend their overseas tours by at least one half of the normal tour length. This authority would not be in combination with any other overseas tour extension incentives. The Department of Defense estimates that this authority will reduce permanent change of station moves and result in savings of $3.7 million and $4.5 million in outlays for fiscal years 1988 and 1989 respectively.

The committee recommends approval of the Defense Department proposal (sec. 622).

TRANSPORTATION OF NEXT OF KIN

The Department of Defense requested authority to provide funded roundtrip transportation, either in the Continental United States or abroad, for two members of the immediate family of a seriously ill or injured active duty service member. The committee recommends approval of the request (sec. 623).

AVIATION OFFICER CONTINUATION PAY

The Department of Defense has requested that the Navy's authority to pay aviation officer continuation pay be extended for two years beyond the current expiration date of September 30, 1987. In addition, the Department of Defense requested that the pay be enhanced by increasing the pay multiple for a six year contract from $6,000 to $8,000, by eliminating the requirement that bonus recipients receive aviation career incentive pay at lower rates, and by elimination of the requirement for six years of aviation service to be eligible for the pay. The committee recommends a provision (sec. 631) adopting the Defense Department proposal, except for elimination of the six year aviation service eligibility requirement. The committee believes this eligibility requirement places the bonus at the appropriate career decision point. Enhancement of this bonus is necessary, especially in light of increased airline hiring that draws from military aviation communities. The committee directs that aviation officer continuation pay be applied only to critically short, aviation skills, and that this bonus may not be offered to Naval Flight Officers except in those aviation communities in which a critical shortage of NFO's exists.

SUBMARINE DUTY PAY ENHANCEMENT

The Department of Defense requested that submarine duty pay be increased in value by 35 percent to restore its retention incentive. Currently, submariners spend on the average of 15 to 16 years of their first 20 year of service at sea. Submarine duty pay recognizes this and serves to provide a monetary incentive to offset to some extent the career disincentive of unusually arduous duty and prolonged family separation. The committee recommends a provision (sec. 632) restoring this incentive to approximately the same level that it held for members when it was first authorized in 1980.

CAREER SEA PAY RESTRUCTURING

The Department of Defense has requested that sea pay be restricted so that members will draw higher amounts for the second tour of sea duty than those payable for the first sea tour. Save pay provisions are included so that first tour personnel would not receive a reduction in pay in the first year of implementation to allow for reasonable transition. The committee recommends approval of the proposal (sec. 633).

DIVING DUTY PAY FOR RESERVE MEMBERS

The Department of Defense has requested that divers in the Reserve Components be entitled to diving duty pay when they meet the requirements established for the pay that apply to active duty personnel. The committee recommends approval of this Defense Department proposal (sec. 634).

LUMP SUM PAYMENT OF SELECTIVE REENLISTMENT BONUSES

The Department of Defense has requested that initial lump sum bonus payments of the selective reenlistment bonus be set at 50 percent of the amount entitled. Current statute require a 75% initial lump sum payment of the selective reenlistment bonus to a recipient. This requirement was partially abrogated in the fiscal year 1987 Defense Appropriations Act. The Department of Defense prefers to pay at the 50% lump sum rate as it has in the past. The committee recommends a provision (sec. 635) authorizing a 50% initial lump sum payment of the selective reenlistment bonus.

EXTENSION OF MILITARY SPOUSAL EMPLOYMENT PREFERENCE

The Military Family Act of 1985 establishes requirements for providing preference in hiring for Department of Defense positions to spouses of active duty military personnel. As mandated, the spouse must be determined to be among the best qualified for the position. The current statute provides an important advantage to many military spouses that helps to cushion the financial impact of the frequent moves required of our military personnel.

The Act, however, fails to provide this spousal employment preference equally across the work force. By denying the preference for positions below GS-5 level, the Act does not assist those spouses who may find it most difficult to find other positions.

To ensure that military spouses benefit fully from the employment preference regardless of the level of position they seek, the committee recommends a provision (sec. 641) extending the spousal preference to all pay levels from GS-1 through GS/GM-15.

AUTHORITY TO DEFINE DEPENDENT

The Department of Defense has requested that the Secretaries of the Military Departments be authorized to designate persons as dependents of service members when conditions warrant. Situations arise where otherwise legitimate requests for basic allowance for quarters (BAQ) or dependent travel and transportation entitlements are denied due to failure of the "dependents" in question to meet the established legal definition. The requested authority would permit the expansion of the legal definition of "dependent" to accommodate the wide range of legitimate situations which are now otherwise denied by the narrow definition of dependent currently in law. The committee recommends approval of the request (sec. 642).

TERMINATION OF COVERAGE UNDER THE SURVIVOR BENEFIT PLAN

The committee recommends a provision (sec. 643) which will permit those who are participants in the Survivor Benefit Plan and who remarried during the period of November 8, 1984 through March 1, 1985, to elect to terminate participation in the Plan. This provision, which would permit termination during the one-year period following enactment of the Act, would extend to those married during that period the benefit extended to those married after March 1, 1985, by provision of the Department of Defense Authorization Act, 1986. That provision, enacted on November 8, 1985, but not effective until March 1, 1986, permitted termination, but only within one year of remarriage. The committee provision extends the termination right to those who would have qualified to make such election at the time of enactment, but who were no longer within one year of remarriage at the time the provision became effective.

REIMBURSEMENT FOR ADOPTION EXPENSES OF MEMBERS OF THE ARMED FORCES

The committee recommends a provision (sec. 644) which would provide reimbursement for certain adoption expenses incurred by members of the Armed Forces. The provision would allow reimbursement up to $2,000 for any one adoption, and a cap of $5,000 per calendar year per member. Adoptions would have to be through Federal, State, or locally sanctioned placements.

Reimbursement would be for various placement, legal, medical, foster care, and other expenses. Not covered are expenses incurred in the adoption of a child who was conceived through artificial insemination, embryo transplant, in vitro fertilization, or surrogate parenthood.

The committee believes this entitlement is consistent with similar benefit plans in the private sector.

PAYING NAVAL RESERVISTS

The committee has received reports of significant problems with respect to timeliness and accuracy of pay for members of the Naval Reserve. These problems appear to be particularly severe for new members, including those transferring from active units, and for members receiving special and incentive pays or performing additional training. Correct and timely pay is a key element in the retention of highly trained and qualified reservists. Therefore, the committee directs the GAO to review the pay system for members of the Naval Reserve and provide a report to the committee no later than September 1, 1987.

TITLE VII—HEALTH CARE PROVISIONS

MEDICAL STIPEND (RESERVES)

The committee recommends a provision (sec. 701) authorizing payment of a stipend to medical students and residents planning to be reserve officers in critical medical specialties that are substantially under strength in the reserve components. Stipends would be paid only to individuals in critically short skills.

An eligible military member would receive:

the full amount of $645 per month for 3 years service in the Selected Reserve for each year of financial assistance;

three fourths of that rate for three years of service in the Ready Reserve for each year of financial assistance;

and one-half of that rate for three years of service in the Ready Reserve in some other capacity specified for each year of financial assistance.

LOAN REPAYMENT FOR RESERVE HEALTH PROFESSIONALS

The committee recommends a provision (sec. 702) extending the authority to repay loans of certain health professionals who serve in the Selected Reserve. The authority is due to expire October 1, 1988 and is being extended until October 1, 1989.

POST-MOBILIZATION REGISTRATION OF HEALTH CARE PROFESSIONALS

The Selective Service has requested authority to spend funds to design and develop a standby system to prepare for the post-mobilization registration and classification of persons with essential health care delivery skills. This standby system will reduce the time it would require Selective Service to call up health care personnel in the event of war or national emergency.

The provision recommended by the committee (sec. 703) provides authority for Selective Service to expend funds to develop such a standby system. This provision does not grant authority to Selective Service to register or to induct medical personnel.

ENTRY AND RETIREMENT AGE REQUIREMENTS FOR MEDICAL PERSONNEL IN THE RESERVE COMPONENTS

The committee remains concerned over shortages in military health care personnel. To help alleviate these shortages the committee recommends a provision (sec. 704) to extend the initial appointment age for medical personnel in the Reserve Components to 48 years and to extend the retirement age for these individuals to 67. The committee believes that there are many medical professionals above the current appointment age who would volunteer to serve in the Reserve Components. The Department of Defense should have the flexibility to utilize these capable and dedicated personnel to the greatest extent possible.

CATASTROPHIC LOSS PROTECTION UNDER CHAMPUS FOR ACTIVE DUTY DEPENDENTS

Most major medical plans in the private sector, as well as the Federal employees' health benefits program, provide a limitation on out-of-pocket expenses for co-payments and deductibles once a certain threshold has been reached. CHAMPUS currently contains no such limitations. High out-of-pocket CHAMPUS expenses are a particular problem for active duty families who are assigned to areas with little or no health care available in military medical facilities.

Since CHAMPUS currently requires a copayment by the military member of 20 percent of allowable costs, a long illness or serious injury can cause significant financial hardship for military members and their families.

The committee, therefore, recommends an annual limit on deductibles and co-payments under the CHAMPUS program of $1,000 per active duty family (sec. 721).

USER FEES

The Office of Management and Budget included a provision in the Department of Defense budget request for fiscal year 1988 initiating a test program instituting fees for outpatient care received at military medical facilities by military retirees and dependents.

The committee strongly opposes this initiative as an unnecessary and unjustified burden on military families at a time when the military medical system is undergoing dramatic change.

As a result, the committee recommends a provision (sec. 722) prohibiting this demonstration project during fiscal year 1988 and fiscal year 1989.

DIAGNOSIS RELATED GROUP (DRG) SYSTEM

Last year the Department of Defense was directed to use a Diagnosis Related Group (DRG) System as the primary basis for allocating resources to military medical treatment facilities. Section 701 of the fiscal year 1987 Defense Authorization Act requires that this system must be in place for inpatient care by October 1, 1987. Since the fiscal year 1988 budget was already assembled at the time the Department received this direction, the Committee recommends a provision (sec. 723) extending the implementation date of the DRG System from October 1, 1987, to a date as soon thereafter as feasible.

FEDERAL PREEMPTION FOR CHAMPUS

Last year, Congress enacted the CHAMPUS Reform Initiative, under which contractors will underwrite services, organize preferred provider networks, and carry out other activities through multi-state contracts. This is a major change in CHAMPUS, which heretofore has been operated on a self-insured basis in which the government paid billed charges directly to health care providers.

Now that CHAMPUS will be working through private sector health insurance companies, Defense Department officials have raised questions to the Committee about the effects on multi-state CHAMPUS contracts of conflicting state health insurance rules and other regulations.

Defense officials have asked Congress to enact legislation for CHAMPUS, similar to 5 U.S.C. 8902(m)(1), the legislation that provides for the Federal Health Benefits Program (FEHB), to make it clear that federal rules for this federal program preempt state regulations. The Committee agrees that such legislation would be beneficial and has included a provision in the bill (sec. 724) modeled after the legislation governing the FEHB program.

DENTAL PROSTHESES

The committee recommends a provision (sec. 725) authorizing a new program to provide dental prostheses for dependents of members while receiving standby dental care. Non-reimbursable dental prostheses were provided dependents up to 1982 when a legal opinion of the General Counsel for the Department of Defense determined a lack of statutory authority for the practice.

CHAMPUS REFORM INITIATIVE

The committee has recognized for several years the urgent need for an improvement in the Civilian Health and Medical Program for the Uniformed Services (CHAMPUS). The Department has developed, and Congress last year endorsed, the CHAMPUS Reform Initiative as the approach most likely to accomplish real improvement.

Pursuant to congressional direction in the Fiscal Year 1987 Defense Authorization Act, the Department of Defense issued a request for proposals (RFP) on February 27, 1987, for the first demonstration phase of the CHAMPUS Reform Initiative. The Committee believes that the Department has complied with congressional direction in this program.

The committee recommends a provision (sec. 726) to increase the flexibility of DOD to implement the CHAMPUS Reform Initiative. The provision requires that, unless the Secretary determines that it would be contrary to the interests of the government, contracts for the first phase of the CHAMPUS Reform Initiative be awarded by October 1, 1987, or as soon thereafter as the Secretary determines feasible; limits alternative demonstration projects for medical care delivery; permits consolidation of the two subsequent implementation phases of the CHAMPUS Reform Initiative after a 60 day Congressional notification and wait period; and requires prior notification of any enrollment program included in the CHAMPUS Reform Initiative.

The implementation of the CHAMPUS Reform Initiative in fiscal year 1988 was mandated by the Congress only last year in the National Defense Authorization Act for fiscal year 1987. The committee firmly believes that additional delays in the implementation of the first phase of the CHAMPUS Reform Initiative demonstration project are unwarranted.

MEDICAL INFORMATION SYSTEMS ACQUISITION

The committee continues to be concerned about the delay in Defense Department's acquisition of the necessary automated medical information systems for use in its military medical facilities. While the requirement for such a system was recognized and defined several years ago as the Composite Health Care System (CHCS), the Department's strategy to acquire such a system has been changed several times, with resulting unnecessary delays.

During the last two fiscal years, many of the delays have been the result of congressional attempts to manage this procurement action to a far greater extent than is either necessary or efficient for proper Congressional oversight. The Assistant Secretary of Defense for Health Affairs testified before the Manpower and Personnel Subcommittee that as the result of Congressionally mandated alterations in the acquisition strategy: "We are rapidly approaching the point at which the needs of our health care beneficiaries and providers have been subsumed by the costly tests and delays in implementation of this system. These inure solely to the benefit of competitors for the project in the computer industry. We are conducting a fair and open competition, and it is time to get on with it."

The committee agrees with these observations and believes that control of this acquisition should be returned to the responsible executive branch officials to be conducted in accordance with existing laws and regulations which are clearly sufficient to insure that competitors be given a fair opportunity to compete to fulfill the Department's requirements.

Therefore, the committee recommends repeal of section 704 of the Department of Defense Authorization Act, 1987 (Public Law 99-661) and directs that the Secretary of Defense expeditiously undertake the completion of any remaining necessary development, testing, and evaluation of competing systems and to acquire such system or systems as will most effectively meet the needs of the military medical system (sec. 731).

INDEPENDENT SERVICE HEALTH CARE INITIATIVES (PRIMUS AND NAVCARE)

The request for fiscal years 1988 and 1989 included funds for the military services to increase the number of primary health care clinics to handle peacetime primary family practice medicine and pharmacy, radiology and laboratory services. These clinics are contractor-owned, contractor operated facilities designed to supplement care provided at military treatment facilities.

The committee feels that the expansion in the number of these clinics at the time is premature in light of the anticipated inauguration of the first phase of the CHAMPUS Reform Initiative in fiscal year 1988, particularly since many of the new clinics planned for fiscal year 1988 will be in the same areas where the CHAMPUS Reform Initiative will be implemented.

As a result, the committee has reduced the operation and maintenance accounts of the Army, Navy and Air Force by $43.6 million to defer the expansion of the primary health care clinics planned by the services during fiscal year 1988.

VIETNAM POW HEALTH FOLLOW-UP STUDIES

The committee is aware that, at the direction of the Secretary of the Navy, the clinical Studies Division, Special Studies Department, Naval Aerospace Medical Institute at Pensacola, Florida, continues to provide follow-up study and care for Naval personnel who were prisoners of war in Vietnam. The study appears highly useful for determining the long-term health consequences of the POW experience and for identifying particular classes of problems affecting POWs from all the services. The committee continues to support this initiative, and expresses its opinion that the Navy should continue to make adequate resources available for the conduct of the follow-up study and for the dissemination of results to all officials concerned about appropriate care and treatment of prisoners of war in Vietnam.

ACQUISITION OF HEALTH CARE PROFESSIONALS

The committee is concerned about the shortage of certain health professionals with critical medical skills in the military services and about the possible disparity in costs among the different methods of attracting health care professionals into the military services. A number of recruitment methods are used to attract health care professionals including but not limited to: the Armed Forces Health Professions Scholarship Program, direct recruitment and through the Uniformed Services University of Health Sciences.

The committee directs the Department of Defense to prepare and provide to the Senate Committee on Armed Services, by January 15, 1988, a report providing a cost comparison for the procurement of health care professionals among the various recruitment methods used to attract these professionals into the military services. The report should identify the recruitment methods, compare costs of training and compensation, and analyze length of service obligations resulting from the varying recruitment techniques.

TITLE VIII—GENERAL PROVISIONS

REPORT ON TTBT COMPLIANCE

The committee directed the Secretary of Defense to submit a report, not later than 30 days after enactment of this act, discussing the current official U.S. method of estimating the yield of Soviet underground nuclear tests and the results of applying that method to past U.S. assessments of Soviet compliance with the 1974 Threshold Test Ban Treaty (TTBT).

REPORT ON COMPETITIVE STRATEGIES

In 1986, the Department of Defense adopted a concept, entitled "competitive strategies," as a major theme of U.S. military strategy. The Secretary of Defense's Annual Report to the Congress for fiscal year 1988 described the concept as follows: ". . . The central idea of competitive strategies is simple enough: aligning enduring American strengths against enduring Soviet weaknesses. Even within their strengths we should seek weaknesses—chinks in their armor—that we can exploit, thereby rendering Soviet military power less potent over time."

The committee is interested in a more detailed understanding of this concept and its application within the Department of Defense. The committee, therefore, recommends that the Secretary of Defense be directed to submit a report on competitive strategies to the Committees on Armed Services of the Senate and House of Representatives. The report would be required to be submitted in classified and unclassified versions not later than January 15, 1988.

NATO TRAINING CENTER

The National Training Center at Fort Irwin, California offers Army units a unique opportunity to train in a demanding desert environment. In a typical training exercise, an Army battalion engages an "aggressor" unit that is specially trained and equipped with Soviet tactics and "look-a-like" weapons. Their battle is carried out with MILES laser designators which simulate their weapons fire. These innovative features are employed over a large expanse of desert terrain to produce a realistic training exercise that may be as similar to actual combat as is possible in a training environment.

The committee believes that the training of the military forces of the NATO alliance would be dramatically improved if they could train together at a West European version of the National Training Center. Such a NATO training center would incorporate the concepts and training devices of the Fort Irwin complex but on terrain more similar to that of Western Europe. In addition, the relevance of the training to actual combat would be maximized if the forces of different NATO members exercised side-by-side against an "aggressor" unit. In that way, NATO forces could test and improve the many different ways in which they will have to coordinate their battlefield operations in order to be successful.

The committee understands that the United States and several other NATO allies are in the early stages of developing a new large training center. It appears that decisions on the center's operations will not be considered until a site is chosen.

The committee believes that this new training center represents a significant opportunity to strengthen the training and coordination of NATO's military forces. Therefore, the committee urges the Department of Defense to work vigorously on its development with the goal of making it similar to the National Training Center. In particular, the committee considers it very important that the center include a specially trained and equipped "aggressor" unit, MILES and video instrumentation, and side-by-side training by different countries' forces. Finally, the committee believes that all members of NATO should be asked if they could offer any sites that meet the requirements of the countries interested in sending forces to the center for training. NATO should be thorough in identifying the range of alternatives for an investment of this size. The Defense Department is directed to initiate this inquiry within the NATO Alliance.

To demonstrate its strong support for this new NATO training center, the committee recommends a provision that expresses the sense of the Congress that such a center should be developed.

REPORT ON ALLIED BURDENSHARING

The fiscal year 1981 Defense Authorization Act required the Secretary of Defense to submit to the Congress a comprehensive report on allied contributions to the common defense. This annual reporting requirement was subsequently made permanent by the fiscal year 1985 Defense Authorization Act.

The seven reports that the Congress has received since it initiated this requirement have been helpful in assessing the extent to which the United States, its NATO allies, and Japan share the burden of their common defense. The Secretary of Defense's annual report has become a very useful reference source on the important issue of allied burdensharing.

Nonetheless, the committee believes certain changes to the report's measures would clarify its results and improve its overall quality. First, including Japan in the report's calculations for NATO obscures the precise contribution of the United States and its NATO allies to the alliance's defense. Although the law requires the Defense Department to discuss Japanese defense spending, the report's format should be expanded, without changing its overall structure, to display statistics for Japan separately from those for NATO.

Second, the report's "output" measures are incomplete. The calculations for each country's land forces do not include a measure of those forces' sustainability, which is a crucial component of combat capability. The tactical air forces category includes only Air Force aircraft; therefore, it excludes the fixed-wing aircraft of each country's army, navy, and marine forces. Finally, the contribution made by strategic and theater nuclear forces to the common defense is completely omitted. The committee believes that these important output factors should be incorporated in the report's output measures.

Although the committee does not consider it appropriate to direct by statute that these changes be made, it does strongly believe that the Defense Department should adopt them in its burdensharing report.

LOCATION OF THE HEADQUARTERS OF THE U.S. SPECIAL OPERATIONS COMMAND

The Assistant Secretary of Defense for Special Operations and Low Intensity Conflict and the Commander in Chief of the U.S. Special Operations Command (USSOC) shall jointly submit to the Committees on Armed Services of the Senate and House of Representatives a report on the location of the USSOC headquarters. The committee understands the rationale for establishing USSOC at MacDill Air Force Base, Florida and for using the facilities formerly occupied by the U.S. Readiness Command. Although this approach has the near-term advantages of being less costly and facilitating the immediate establishment and operation of USSOC, the committee believes that the long-term national interest might be better served by eventually transferring the USSOC headquarters to the Washington, D.C. area. The requested study should fully analyze all factors concerning the location of the USSOC headquarters. Special emphasis is to be given to the requirements for effective control by the National Command Authorities and for effective coordination with other departments and agencies of the Executive Branch. The study is to be submitted not later than January 5, 1988.

DISSEMINATION OF UNCLASSIFIED INFORMATION CONCERNING PHYSICAL PROTECTION OF SPECIAL NUCLEAR MATERIAL

Under current law, 42 U.S.C. 2168, the Department of Energy has authority to prohibit unauthorized dissemination of information concerning atomic energy defense programs. The bill provides similar authority to the Department of Defense with respect to physical protection of special nuclear materials. The committee intends that the term "special nuclear material" have the same meaning as under the Atomic Energy Act (42 U.S.C. 2014(aa)).

TESTING OF CERTAIN WEAPONS SYSTEMS AND MUNITIONS

Last year the 1987 Defense Authorization Conference reached agreement on the establishment of guidelines for live fire testing. Since that conference the Department of Defense has indicated a desire to reorganize the testing procedures and testing organization within DOD. The committee believes that Section 910 of the fiscal year 1987 National Defense Authorization Act may lengthen the development cycle of weapons systems and therefore recommends repealing that section.

The Department of Defense is encouraged to submit legislation that would incorporate reasonable live fire testing guidelines if required. The committee fully supports adequate and reasonable testing of all weapons systems prior to operational deployment, and would entertain any proposals that would enhance and shorten the testing process; however, the committee cautions that any proposed legislation that would encumber or lengthen the current development cycle of weapon systems would not be viewed favorably.

CONSOLIDATION OF TEST AND EVALUATION ORGANIZATIONS

The committee received testimony raising serious concerns about proposals within the Department of Defense to combine the personnel and functions of the Office of Development Test and Evaluation with those of the Office of Operational Test and Evaluation. These organizational changes could, if carried out, result in loss of independence and objectivity by the Director of Operational Test and Evaluation. The goals of the two offices are different. Engineering test and evaluation is an engineering tool, and each test usually has very specific objectives that contribute to the development of the system. Failures are common during this phase and, in fact, should be expected, if the testing is to accomplish its goals.

The objectives of operational test and evaluation, on the other hand, are decidedly different. In this phase of development, the system is evaluated for its operational utility in an environment similar to that the user will subject it to. Failures in this phase are looked upon much differently than those which occur during developmental testing.

By combining the two offices, there is a risk that the developmental evaluation could be influenced by its close association with operational testing. Because operational testing is often viewed as a "report card" on the system under development, there is concern that the Director of Operational Test and Evaluation could lose his independence and objectivity in judging the operational utility of a system if he is put in a situation where he has to judge himself.

Because Congress created the position of the Director of Operational Test and Evaluation, and carefully crafted statutory protections for the Director's independence, it is imperative that Congress carefully review any major changes in the Director's charter that might compromise his independence.

The committee also received testimony from the General Accounting Office detailing the difficulty that the Director currently has in carrying out his statutory charter as a result of staffing and management deficiencies. It would be unwise to consider expanding the Director's charter under these circumstances. Accordingly, the Bill directs that the Defense Department may not combine the functions of developmental and operational testing. Should the Secretary subsequently decide that consolidation of these offices would be desirable, he should submit appropriate legislation. The supporting documentation should include proposed changes in the Director's charter and the Secretary's assessment of how the consolidation will affect the independence and objectivity of operational testing and evaluation, as well as the method of assuring that developmental testing will not be influenced by its working relationship with operational evaluation.

PROFIT POLICY

During this year's hearings the committee received expressions of concern from witnesses that the interim profit policy recently adopted by the Department of Defense has resulted in a disproportionate reduction in profits for companies which are performing research and development and professional and technical services on behalf of the Department.

The committee is concerned that the interim rule has not adequately distinguished between contracts requiring the manufacture of a product and contracts to perform research and development or provide professional or technical services, a distinction that was emphasized last year by the Congress. Companies providing technical and professional services make their investments in highly skilled personnel rather than facilities. Therefore, these companies should not be subject to the same capital investment and risk criteria as companies primarily involved in manufacturing. The committee expects that this differentiation will be reflected in the Department's final version of the rule on profit policy. Companies engaged in endeavors of this type make an important contribution to the national defense, and a fair and reasonable profit is necessary to maintain the vitality and viability of this defense industry.

PROGRESS PAYMENT RATES

In the Continuing Resolution for fiscal year 1987, the Congress approved a requirement that the progress payment rate for contracts funded with fiscal 1987 funds be reduced by 5 percentage points. This measure was part of a package of financial adjustments designed to achieve visible outlay reductions in fiscal year 1987.

This action followed a series of similar administrative reductions within the Defense Department resulting in current progress payment rates of 75 percent and 80 percent for large and small businesses, respectively. Although the general impact of these reductions on the defense industry has been lessened by lower interest rates, certain key sectors of the industry have been seriously affected by the recent changes because of their acute sensitivity to changes in cash flow.

The committee is especially concerned about the impact of reductions in progress payments on the ship repair industry. Because of the depressed state of the domestic shipbuilding industry, most ship repair contractors are dependent on Navy contracts for their existence. The operations of the small and medium size businesses that make up this industry have traditionally been characterized by low profit margins; contracts of relatively short duration accompanied by a rapid build-up in skilled workers, and progress payments based on completion of work segments that extend well into the life of a contract. As a result, such contractors are placed in a weak position because of the costs associated with providing their own financing.

The Continuing Resolution recognized the possible need for excluding the shipbuilding industry from the 5 percent reduction in progress payment rates. The ship repair industry, however, is so similar that both categories are combined in the same Standard Industry Code.

The statement of managers accompanying the Continuing Resolution for fiscal year 1987 makes it clear that the reduction was not intended as a precedent for continuing legislation on progress payment rates. The committee agrees that such matters are best handled administratively within the Defense Department, but directs the Department of Defense to review this matter and to adjust the progress payment rates for the ship repair industry in fiscal year 1988 to a higher level more appropriate to the financial structure of the firms in this sector.

EXCESSIVE ADUIT AND OVERSIGHT

Last year, Congress directed in 10 U.S.C. 133(d) that the Under Secretary for Acquisition "prescribe policies to ensure that audit and oversight of contractor activities are coordinated and carried out in a manner to prevent duplication by different elements of the Department of Defense."

The committee received testimony this year indicating that the Inspector General has submitted recommendations to the Under Secretary to reduce unnecessary audit and oversight, especially by those involved in contract administration, but that there has been no action to date. In order to focus attention promptly on this problem, the committee directs the Under Secretary to issue policies on coordination of audit and oversight implementing 10 U.S.C. 133(d) not later than November 1, 1987.

One remedy that should be considered is the establishment of a formal review and clearance mechanism administered by on-site Department of Defense contract administration personnel. This process could be used to review and screen a defense agency's request in order to avoid duplication with prior requests for information or with reviews that are underway or have been recently completed. The Inspector General, the Defense Contract Audit Agency, and the General Accounting Office should be appropriately integrated into such a review and clearance process. Defense contractors should also be provided with a means of protection from unauthorized requests for information.

CONTRACT GOAL FOR MINORITIES

Section 1207(a) of the Department of Defense Authorization Act for fiscal year 1987 established a goal of obligating 5 percent of all Department of Defense funds for procurement, research, development, test and evaluation, military construction, and operation and maintenance in fiscal years 1987, 1988, and 1989 to minority owned and run small businesses, historically black colleges and universities, or minority educational institutions.

The committee bill amends section 1207(a) so as to extend participation and inclusion under this section to nonprofit research organizations which were originally an integral part of an historically black college or university. The amendment corrects an oversight in the original section.

ADJUDICATION OF CIVIL SERVICE CASES INVOLVING NON-REGISTRANTS UNDER SELECTIVE SERVICE

Section 1622 of the Department of Defense Authorization Act, 1986, added section 3328 of title 5, United States Code, which provides that a person who is required to register under section 3 of the Military Selective Service Act and who is not registered or who knowingly or willingly failed to do so before the requirement to register terminated, is ineligible for appointment to a position in an executive agency of the Federal Government. The Office of Personnel Management (OPM) was charged with issuing regulations to implement this law and with adjudicating determinations relating to knowing or willful failure to register. The Committee recommends an amendment (sec. 809) to section 3328(b) of title 5 to permit OPM to issue regulations providing that such adjudications may be performed by the several executive agencies rather than in OPM itself. This should ease the administration of this registration requirement determination.

REPEAL OF THE POSITION OF ASSISTANT JUDGE ADVOCATE GENERAL OF THE NAVY

The committee recommends termination of the statutory authority for one of the two statutory authorized positions of Assistant Judge Advocate General of the Navy authorized in section 5149(b), Title 10, U.S.C. The committee recommends elimination of the statutory authority for this rear admiral (lower half) position, because the nominal incumbent is performing primary duty outside the Navy. However, since an officer assigned to one of these billets holds the grade of rear admiral of the lower half only while serving in the position, the committee recommendation (sec. 810) includes a provision allowing the incumbent to retain the rank of rear admiral (lower half) as long that individual continues to be nominally assigned as an Assistant Judge Advocate General of the Navy.

ELECTRIC ARC FURNACES

The committee is interested in maintaining competition and minimizing the costs of quality components required for the Navy's nuclear power program. In this regard, the Navy is directed to evaluate a cost-sharing arrangement with the State of Pennsylvania and private industry for the purpose of modernizing two government-owned electric arc furnaces in Bethlehem, Pennsylvania—to assure the domestic supply of key nuclear components for U.S. Navy applications—with the provision that the Navy's investment be repaid through the reductions in price of other Naval nuclear-related components currently produced on a sole-source basis at this facility.

DEFENSE DEPARTMENT REPORTING REQUIREMENTS

In the Goldwater-Nichols Department of Defense Reorganization Act of 1986, the Congress made a major effort to reduce the administrative burden placed on the Defense Department by unnecessary reporting requirements. The act waived about 250 (or two-thirds) of the total number of reports required of DOD. At the same time, the act specifically continued the requirements for about 150 reports that the Congress concluded were necessary.

In the hope that even more reports could be eliminated this year, the Defense Reorganization Act directed DOD to propose to the Congress which of the remaining "protected" reports should be repealed, retained, or modified. The committee has now received and evaluated the Defense Department's list of recommendations. Of the reports that the Congress continued in 1986, DOD has proposed that less than 20 be repealed. The committee has examined those reports and determined that they remain necessary to the Congress carrying out its responsibilities.

The department also recommended that a number of reporting requirements be modified, and promised to prepare a legislative proposal that would make the statutory changes. The committee will consider these modifications when DOD submits its legislative proposal.

The Department of Defense has suggested that many reporting requirements outside the committee's jurisdiction be repealed. The Armed Services Committee will encourage the other committees of the Senate to consider the Defense Department's recommendations for reports within their jurisdiction.

TECHNICAL AND CONFORMING CHANGES

The bill includes a number of technical corrections and conforming changes to reflect recent legislation. These provisions include legislation making the Assistant to the Secretary of Defense for Atomic Energy a statutory provision.

In last year's Authorization Act, the Congress created the Nuclear Weapons Council as a successor organization to the Military Liaison Committee, which was abolished. The Chairman of the Military Liaison Committee was a Presidential appointee and also traditionally served as the Assistant to the Secretary of Defense for Atomic Energy. The incumbent Assistant to the Secretary is now designated as the Staff Director to the Nuclear Weapons Council. It is the intent of the committee that the position be a Presidential appointment to confer equivalent status to the arrangements under the old Military Liaison Committee, but, due to a technical oversight, the bill as enacted failed to include that provision. Accordingly, the committee has in section 811 legislatively corrected the omission.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATION

The purpose of Division B is to provide military construction authorization and related authority in support of the military departments during fiscal years 1988 and 1989. The Administration's request is reflected in S.866 as introduced by request. This division as approved by the Committee on Armed Services totals $8,969,748,000 in authorization for appropriations in fiscal year 1988, and $5,105,629,000 for fiscal year 1989. A substantial portion of the fiscal year 1989 request was deferred until further review next year.

These authorizations provide construction in support of the military services, Guard and Reserve components, Defense Agencies, NATO Infrastructure, and military family housing requirements.

A brief summary of the authorizations follows:

Authorization for Appropriations Granted, Fiscal Year 1988

Title I (Army):	
Inside the United States	$423,230,000
Outside the United States	390,230,000
Previously authorized projects	32,000,000
Minor Construction	15,600,000
Planning and design	128,120,000
Family Housing construction	414,476,000
Family housing support	$1,255,183,000
Homeowners assistance	2,800,000
Subtotal	$2,661,639,000
Title II (Navy):	
Inside the United States	$1,331,045,000
Outside the United States	124,827,000
Previously authorized projects	28,675,000
Minor construction	16,500,000
Planning and design	143,655,000
Defense access roads	14,000,000
Historic Facilities	6,800,000
Family housing construction	202,224,000
Family housing support	530,812,000
Subtotal	$2,398,538,000
Title III (Air Force):	
Inside the United States	$858,129,000
Outside the United States	289,985,000
Minor construction	16,000,000
Planning and design	120,336,000
Defense access roads	4,100,000
Family housing construction	220,140,000
Family housing support	692,393,000
Subtotal	$2,201,083,000
Title IV (Defense Agencies):	
Inside the United States	$339,978,000
Outside the United States	219,227,000
Previously authorized projects	108,400,000
Minor Construction	10,000,000
Contingency construction	10,000,000
Conforming storage facilities	11,400,000
Planning and design	57,800,000
Family housing construction	1,186,000
Family housing support	18,514,000
Subtotal	$776,505,000
Title V (Nato Infrastructure):	$386,000,000
Title VI (Guard and Reserve):	
Army National Guard	$165,030,000
Army Reserve	88,100,000
Naval and Marine Corps Reserve	68,737,000
Air National Guard	149,816,000
Air Force Reserve	74,300,000
Subtotal	$545,983,000
Total authorization of appropriations	$8,969,748,000

Authorization for Appropriations Granted, Fiscal Year 1989.

Title I (Army):	
Inside the United States	$39,700,000
Outside the United States	39,190,000
Minor Construction	16,200,000
Planning and design	126,710,000
Family Housing construction	165,968,000
Family housing support	$1,371,091,000
Homeowners assistance	2,000,000
Subtotal	$1,760,859,000
Title II (Navy):	
Inside the United States	$342,190,000
Outside the United States	2,820,000
Minor construction	16,300,000
Planning and design	147,333,000
Family housing construction	66,004,000
Family housing support	548,067,000
Subtotal	$1,122,714,000
Title III (Air Force):	
Inside the United States	$99,530,000
Outside the United States	12,600,000
Minor construction	16,500,000
Planning and design	135,733,000
Family housing construction	172,280,000
Family housing support	727,740,000
Subtotal	$1,164,383,000
Title IV (Defense Agencies):	
Inside the United States	$2,550,000
Previously authorized projects	82,000,000
Planning and design	65,100,000
Family housing construction	112,000
Family housing support	19,488,000
Subtotal	$169,250,000
Title V (Nato Infrastructure):	$402,100,000
Title VI (Guard and Reserve):	
Army National Guard	$150,100,000
Army Reserve	100,000,000
Naval and Marine Corps Reserve	52,923,000
Air National Guard	128,000,000
Air Force Reserve	55,300,000
Subtotal	$486,323,000
Total authorization of appropriations	$5,105,629,000

BACKGROUND

In addressing the Department of Defense military construction request, the Readiness, Sustainability and Support Subcommittee held five hearings and numerous staff meetings and discussions. Unlike previous years when construction requirements were viewed in isolation, the Subcommittee evaluated the construction request in the overall context of readiness and sustainability. Investment in construction was related to investments in spare parts, depot maintenance, and ammunition. By taking this broader approach to the problems of readiness and sustainability, the subcommittee attempted to evaluate the tradeoffs among alternative investment strategies and allocations to achieve these goals.

In addition to the views of the military services, the subcommittee solicited the views and priorities of the unified commands, and received testimony from representatives of five of the unified commanders-in-chief as well as the senior logistics commanders.

COMMITTEE ACTION—FISCAL YEAR 1988

In addressing the department's request, the committee attempted to retain the following priorities while responding to resource constraints:

—Support new missions already authorized.

—Authorize construction projects promising near-term readiness improvements.

—Include projects with rapid investment amortization.

—Respect wherever possible the priorities of the services, defense agencies, and unified commanders in chief.

—Address serious quality of life problems, particularly at remote overseas locations.

—Defer some overseas projects which could be financed by host nations if expanded host nation support agreements were negotiated.

The committee made the following adjustments to the department's fiscal year 1988 military construction request:

FY-88 MILITARY CONSTRUCTION
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ADDITIONS

STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
		UNITED STATES ARMY			
GEORGIA	FORT BENNING	SCHOOL OF AMERICAS - PHASE I	0	700	700
NORTH CAROLINA	FORT BRAGG	AIR OPERATIONS FACILITY	0	3,280	3,280
NORTH CAROLINA	FORT BRAGG	SPECIAL OPERATIONS FACILITY ACADEMIC FACILITY	0	12,800	12,800
TEXAS	RED RIVER ARMY DEPOT	SITE WORK (PHASE I)	0	6,500	6,500
** SUBTOTAL			0	23,280	23,280
		UNITED STATES NAVY			
ILLINOIS	NAVAL TRAINING CENTER GREAT LAKES	CHAPEL	0	4,600	4,600
MISSISSIPPI	NAVAL CONSTRUCTION BATTALION CENTER GULFPORT	PREPOSITIONED WAR READINESS MATERIAL WAREHOUSE	0	7,500	7,500
SOUTH CAROLINA	NAVAL STATION CHARLESTON	SEWAGE TREATMENT CONNECTION	0	1,400	1,400
VIRGINIA	NAVAL AIR STATION OCEANA	AIR TRAINING FACILITY	0	5,000	5,000
PANAMA	NAVAL SECURITY GROUP ACTIVITY GALETA ISLAND	OPERATIONS BUILDING ADDITION	0	1,000	1,000
SCOTLAND	NAVAL SECURITY GROUP ACTIVITY EDZELL	OPERATIONS FACILITY ADDITION	0	4,200	4,200
** SUBTOTAL			0	23,700	23,700
		UNITED STATES AIR FORCE			
COLORADO	LOWRY AIR FORCE BASE	ACADEMIC CLASSROOMS ADDITION/ALTERATION	0	3,750	3,750
COLORADO	LOWRY AIR FORCE BASE	TRANSPORTATION COMPLEX	0	3,300	3,300
GEORGIA	ROBINS AIR FORCE BASE	MC-130 HANGAR	0	15,500	15,500
MAINE	LORING AIR FORCE BASE	RAMP REFUEL	0	13,100	13,100
MICHIGAN	K.I. SAWYER AIR FORCE BASE	CHILD DEVELOPMENT CENTER ADDITION/ALTERATION	0	1,500	1,500
OKLAHOMA	VANCE AIR FORCE BASE	WASTE TREATMENT CONNECTION	0	2,200	2,200
** SUBTOTAL			0	39,350	39,350
		GUARD AND RESERVE ACTIVITIES			
		ARMY NATIONAL GUARD			
MISSISSIPPI	CAMP MCCAIN	VEHICLE WASH FACILITY	0	2,000	2,000
MISSISSIPPI	CAMP SHELBY	200 PERSON ARMORY	0	1,946	1,946

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STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
		ARMY NATIONAL GUARD			
MISSISSIPPI	CAMP SHELBY	TANK TRAIL	0	1,249	1,249
MISSISSIPPI	DREW	60 PERSON ARMORY	0	700	700
MISSISSIPPI	GREENWOOD	60 PERSON ARMORY	0	700	700
MISSISSIPPI	PICAYUNE	100 PERSON ARMORY	0	700	700
MISSISSIPPI	PONTOTOC	60 PERSON ARMORY	0	600	600
MISSISSIPPI	TUPELO	ARMORY ADDITION/ALTERATION	0	2,900	2,900
NEW MEXICO	LAS CRUCES	400 PERSON ARMORY	0	1,984	1,984
NEW MEXICO	ROSWELL	200 PERSON ARMORY	0	1,637	1,637
SOUTH CAROLINA	MCENTIRE AIR NATIONAL GUARD BASE	APACHE MAINTENANCE FACILITY	0	6,300	6,300
WISCONSIN	ABBOTSFORD	60 PERSON ARMORY	0	1,100	1,100
		AIR NATIONAL GUARD			
MISSISSIPPI	JACKSON	AIR NATIONAL GUARD HEADQUARTERS	0	416	416
WISCONSIN	BILLY MITCHEL FIELD	SUPPORT FACILITIES ADDITION/ALTERATION	0	4,500	4,500
** SUBTOTAL			0	26,732	26,732
** TOTAL			0	113,062	113,062

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UNITED STATES ARMY

STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
ALABAMA	FORT RUCKER	SERVICE MEMBER SUPPORT COMPLEX	5,700	-5,700	0
GEORGIA	FORT MCPHERSON	SECURITY UPGRADE	1,400	-1,400	0
HAWAII	SCHOFIELD BARRACKS	CHILD DEVELOPMENT CENTER	4,950	-4,950	0
MASSACHUSETTS	NATICK RESEARCH AND DEVELOPMENT CENTER	NATICK RESEARCH AND DEVELOPMENT CENTER	45,000	-45,000	0
MISSOURI	FORT LEONARD WOOD	LIBRARY	5,400	-5,400	0
NEW JERSEY	FORT DIX	RANGE MODERNIZATION	6,100	-6,100	0
NEW YORK	FORT DRUM	_FAMILY HOUSING NEW CONSTRUCTION (100)	10,000	-10,000	0
NEW YORK	UNITED STATES MILITARY ACADEMY	BARRACKS MODERNIZATION	14,800	-14,800	0
TEXAS	FORT BLISS	PHYSICAL FITNESS TRAINING CENTER	6,300	-6,300	0
_VARIOUS CONUS	VARIOUS HISTORIC	HISTORIC FACILITIES	6,000	-6,000	0
GERMANY	HOHENFELS	UTILITIES SUPPORT	3,750	-3,750	0
GERMANY	STUTTGART	CHILD DEVELOPMENT CENTER	1,800	-1,800	0
GERMANY	WIESBADEN	AIRCRAFT MAINTENANCE HANGAR	30,000	-30,000	0
KOREA	CAMP HENRY	BARRACKS	11,800	-11,800	0
KOREA	CAMP HUMPHREYS	BARRACKS	6,700	-6,700	0
PANAMA	COROZAL	IMAGERY FACILITY	6,000	-6,000	0
** SUBTOTAL			165,700	-165,700	0

UNITED STATES NAVY

STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
CALIFORNIA	MARINE CORPS AIR STATION CAMP PENDLETON	STATION OPERATIONS FACILITY	1,870	-1,870	0
CALIFORNIA	MARINE CORPS BASE CAMP PENDLETON	TACITCAL VEHICLE MAINTENANCE FACILITY	9,700	-9,700	0
CALIFORNIA	NAVAL LEGAL SERVICES OFFICE LONG BEACH	NAVY LEGAL SERVICES OFFICE	1,020	-1,020	0
CALIFORNIA	NAVAL TRAINING CENTER SAN DIEGO	FIRE FIGHTING TRAINING FACILITY	7,800	-7,800	0
CALIFORNIA	NAVAL TRAINING CENTER SAN DIEGO	RECRUIT SUPPORT CENTER	1,180	-1,180	0
CALIFORNIA	NAVY PUBLIC WORKS CENTER SAN FRANCISCO	TRANSPORTATION MAINTENANCE SHOP	11,700	-11,700	0
CONNECTICUT	NAVAL SUBMARINE BASE NEW LONDON	WEAPONS STORAGE IMPROVEMENTS	3,300	-3,300	0
DISTRICT OF COLUMBIA	COMMANDANT, NAVAL DISTRICT WASHINGTON	ADMINISTRATIVE OFFICE SPACE MODERNIZATION	5,220	-5,220	0
DISTRICT OF COLUMBIA	COMMANDANT, NAVAL DISTRICT WASHINGTON	TRANSPORTATION MAINTENANCE FACILITY	5,300	-5,300	0
FLORIDA	NAVAL TRAINING CENTER ORLANDO	PUBLIC WORKS SHOP	2,560	-2,560	0
HAWAII	MARINE CORPS AIR STATION KANEOHE BAY	INTEGRATED SIGNALS INTELLIGENCE SYSTEM FACILITIES	2,360	-2,360	0
NORTH CAROLINA	MARINE CORPS BASE CAMP LEJEUNE	COMBAT VEHICLE MAINTENANCE SHOPS	8,070	-8,070	0
RHODE ISLAND	NAVAL EDUCATION AND TRAINING CENTER NEWPORT	WATER DISTRIBUTION SYSTEM IMPROVEMENTS	3,840	-3,840	0
TEXAS	NAVAL AIR STATION KINGSVILLE	AIRCRAFT OPERATIONAL FACILITIES	9,150	-9,150	0
WASHINGTON	TRIDENT REFIT FACILITY BANGOR	ELECTRICAL DISTRIBUTION SYSTEM IMPROVEMENTS	1,080	-1,080	0
ITALY	NAVAL SUPPORT ACTIVITY NAPLES	COMMAND CONTROL COMMUNICATIONS AND INTELLIGENCE COMPLEX (PHASE I)	24,900	-24,900	0

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AUTHORIZATION OF APPROPRIATIONS

DELETIONS

STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
		UNITED STATES NAVY			
ITALY	NAVY SUPPORT OFFICE LA MADDALENA	COLD IRON UTILITY SUPPORT	7,400	-7,400	0
JAPAN	MARINE CORPS AIR STATION FUTENMA, OKINAWA	FLIGHT LINE SECURITY IMPROVEMENTS	3,790	-3,790	0
** SUBTOTAL			110,320	-110,320	0
		UNITED STATES AIR FORCE			
ALABAMA	GUNTER AIR FORCE STATION	EXTENSION COURSE INSTITUTE	8,800	-8,800	0
ALABAMA	MAXWELL AIR FORCE BASE	BASE SUPPLY COMPLEX	7,400	-7,400	0
ALABAMA	MAXWELL AIR FORCE BASE	SECURITY POLICE OPERATIONS FACILITY	1,700	-1,700	0
ALASKA	KING SALMON AIRPORT	COMMUNICATIONS FACILITY	3,350	-3,350	0
ARIZONA	DAVIS-MONTHAN AIR FORCE BASE	TRAFFIC MANAGEMENT COMPLEX	3,650	-3,650	0
ARIZONA	LUKE AIR FORCE BASE	BASE OPERATIONS MOBILE TRANSIENT ALERT FACILITY	1,750	-1,750	0
ARKANSAS	LITTLE ROCK AIR FORCE BASE	FAMILY SUPPORT CENTER ADDITION	370	-370	0
CALIFORNIA	MATHER AIR FORCE BASE	BASE FLIGHT OPERATIONS FACILITY	2,300	-2,300	0
CALIFORNIA	MCCLELLAN AIR FORCE BASE	ELECTRICAL DISTRIBUTION SYSTEM ALTERATION	3,600	-3,600	0
CALIFORNIA	NORTON AIR FORCE BASE	VISITING AIRMEN QUARTERS	6,000	-6,000	0
CALIFORNIA	VANDENBERG AIR FORCE BASE	MISSILE CREW TRAINING FACILITIES	6,200	-6,200	0
COLORADO	PETERSON AIR FORCE BASE	BASE SUPPLY WAREHOUSE PHASE I	4,100	-4,100	0
COLORADO	UNITED STATES AIR FORCE ACADEMY	CADET ACTIVITIES CENTER ADDITION/ALTERATION	6,100	-6,100	0
DELAWARE	DOVER AIR FORCE BASE	TAXIWAY ADDITION	1,250	-1,250	0
DISTRICT OF COLUMBIA	BOLLING AIR FORCE BASE	LIBRARY	1,750	-1,750	0
FLORIDA	AVON PARK AUXILIARY FIELD	ELECTRONIC WARFARE OPERATIONS AND VEHICLE MAINTENANCE FACILITY	3,700	-3,700	0
FLORIDA	HOMESTEAD AIR FORCE BASE	VISITING OFFICER QUARTERS	2,700	-2,700	0
FLORIDA	TYNDALL AIR FORCE BASE	LAND ACQUISITION	700	-700	0
HAWAII	HICKAM AIR FORCE BASE	FIRE PROTECTION-VARIOUS FACILITIES	1,550	-1,550	0
LOUISIANA	BARKSDALE AIR FORCE BASE	JP7 FUEL STORAGE/DISPENSING FACILITIES	2,900	-2,900	0
MICHIGAN	WURTSMITH AIR FORCE BASE	B-52 ORGANIZATIONAL MAINTENANCE SHOP	3,050	-3,050	0
MONTANA	MALMSTROM AIR FORCE BASE	KC-135R VEHICLE OPERATIONS HEATED PARKING	2,150	-2,150	0
NEW JERSEY	MCGUIRE AIR FORCE BASE	UNACCOMPANIED ENLISTED PERSONNEL HOUSING ALTERATION	8,900	-8,900	0
NEW YORK	GRIFFIS AIR FORCE BASE	ELECTRICAL DISTRIBUTION SYSTEM ALTERATION	8,400	-8,400	0
NEW YORK	PLATTSBURG AIR FORCE BASE	VEHICLE MAINTENANCE SHOP ADDITION/ALTERATION	2,900	-2,900	0

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DELETIONS

STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
		UNITED STATES AIR FORCE			
NORTH CAROLINA	POPE AIR FORCE BASE	BASE SUPPLY COMPLEX	11,000	-11,000	0
NORTH DAKOTA	MINOT AIR FORCE BASE	SECURITY POLICE OPERATIONS FACILITY	4,900	-4,900	0
NORTH DAKOTA	MINOT AIR FORCE BASE	T-9 NOISE SUPPRESSOR SUPPORT FACILITY	740	-740	0
OHIO	WRIGHT PATTERSON AIR FORCE BASE	AIRCRAFT MODIFICATION CENTER ADDITION/ALTERATION	2,050	-2,050	0
OKLAHOMA	TINKER AIR FORCE BASE	ADVANCED COMPOSITE REPAIR FACILITY	9,200	-9,200	0
SOUTH DAKOTA	ELLSWORTH AIR FORCE BASE	STC-CONSOLIDATED AIRCRAFT MAINTENANCE FACILITY ALTERATION	2,150	-2,150	0
TEXAS	BERGSTROM AIR FORCE BASE	NONCOMMISSIONED OFFICER PROFESSIONAL EDUCATION CENTER	3,350	-3,350	0
TEXAS	BROOKS AIR FORCE BASE	BASE ENGINEERING COMPLEX	4,100	-4,100	0
TEXAS	LACKLAND AIR FORCE BASE	STUDENT OFFICER HOUSING	12,000	-12,000	0
TEXAS	RANDOLPH AIR FORCE BASE	ADMINISTRATIVE FACILITY (AFMEA)	2,300	-2,300	0
TEXAS	REESE AIR FORCE BASE	SURVIVAL EQUIPMENT SHOP	1,050	-1,050	0
TEXAS	SHEPPARD AIR FORCE BASE	STUDENT OFFICER HOUSING	4,700	-4,700	0
UTAH	HILL AIR FORCE BASE	GAPFILLER RADAR FACILITY	1,500	-1,500	0
UTAH	HILL AIR FORCE BASE	MISSILE MAINTENANCE SHOP	2,200	-2,200	0
UTAH	HILL AIR FORCE BASE	TACTICAL CONTROL SQUADRON SPECIAL OPERATIONS FACILITY	3,750	-3,750	0
VIRGINIA	LANGLEY AIR FORCE BASE	TACTICAL CONTROL FLIGHT FACILITY	2,000	-2,000	0
WYOMING	FRANCIS E. WARREN AIR FORCE BASE	DATA PROCESSING FACILITY	1,800	-1,800	0
VARIOUS CONUS	VARIOUS HISTORIC	HISTORIC FACILITIES SUPPORT	2,800	-2,800	0
GERMANY	HAHN AIR BASE	VEHICLE MAINTENANCE FACILITY ADDITION	1,900	-1,900	0
GERMANY	RAMSTEIN AIR BASE	COMBAT AMMUNITION CONTROL CENTER	1,250	-1,250	0
GERMANY	RAMSTEIN AIR BASE	NONCOMMISSIONED OFFICER ACADEMY (KAPUN) ADDITION/ALTERATION	1,750	-1,750	0
GERMANY	RAMSTEIN AIR BASE	VEHICLE MAINTENANCE SHOPS ADDITION/ALTERATION	7,200	-7,200	0
GERMANY	RAMSTEIN AIR BASE	WAREHOUSE	2,150	-2,150	0
GERMANY	SEMBACH AIR BASE	UPGRADE WATER STORAGE AND DISTRIBUTION SYSTEM	2,250	-2,250	0
GERMANY	ZWEIBRUCKEN AIR BASE	UNACCOMPANIED ENLISTED PERSONNEL HOUSING	1,850	-1,850	0
GUAM	ANDERSEN AIR FORCE BASE	PHYSICAL FITNESS FACILITY ADDITION/ALTERATION	3,600	-3,600	0
JAPAN	KADENA AIR BASE	FIRE PROTECTION-VARIOUS FACILITIES	1,850	-1,850	0
JAPAN	KADENA AIR BASE	JET FUEL STORAGE PHASE V	5,500	-5,500	0
JAPAN	KADENA AIR BASE	UNACCOMPANIED PERSONNEL HOUSING ALTERATION	2,850	-2,850	0
JAPAN	YOKOTA AIR BASE	COMMAND CENTER ALTERATION	2,600	-2,600	0
JAPAN	YOKOTA AIR BASE	CORROSION CONTROL FACILITY ADDITION/ALTERATION	3,150	-3,150	0

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DELETIONS

STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
		UNITED STATES AIR FORCE			
KOREA	KUNSAN AIR BASE	ELECTRICAL DISTRIBUTION SYSTEM UPGRADE (PHASE II)	2,250	-2,250	0
KOREA	OSAN AIR BASE	NUMBERED AIR FORCE HEADQUARTERS ADDITION	1,750	-1,750	0
KOREA	OSAN AIR BASE	SECURITY POLICE OPERATIONS FACILITY	2,200	-2,200	0
PANAMA	HOWARD AIR FORCE BASE	MUNITIONS FACILITIES	2,450	-2,450	0
PHILIPPINES	CLARK AIR BASE	AEROMEDICAL EVACUATION AIRLIFT SQUADRON FACILITY	1,300	-1,300	0
PHILIPPINES	CLARK AIR BASE	FLOW THROUGH SHELTERS PHASE I	8,600	-8,600	0
UNITED KINGDOM	ROYAL AIR FACILITY BENTWATERS	SECURITY POLICE OPERATIONS FACILITY	1,310	-1,310	0
UNITED KINGDOM	ROYAL AIR FACILITY UPPER HEYFORD	VEHICLE MAINTENANCE SHOP ADDITION/ALTERATION	2,400	-2,400	0
UNITED KINGDOM	ROYAL AIR FACILITY WOODBRIDGE	SUPPLY WAREHOUSE	1,650	-1,650	0
** SUBTOTAL			228,750	-228,750	0
		DEPARTMENT OF DEFENSE AGENCIES			
UTAH	DEFENSE DEPOT OGDEN	ADMINISTRATIVE FACILITY	10,000	-10,000	0
VIRGINIA	ARLINGTON SERVICE CENTER	DEFENSE COMMUNICATIONS AGENCY HEADQUARTERS NEW OFFICE BUILDING	13,565	-13,565	0
VIRGINIA	LANGLEY AIR FORCE BASE	LIFE SAFETY UPGRADE	1,500	-1,500	0
WASHINGTON	NAVAL AIR STATION WHIDBEY ISLAND	HOSPITAL CLINIC ADDITION	16,500	-16,500	0
VARIOUS CONUS	VARIOUS HISTORIC	HISTORIC FACILITIES	1,500	-1,500	0
GERMANY	DOD DEPENDENT SCHOOL, SPANGDAHLEM AIR BASE	HIGH SCHOOL	7,300	-7,300	0
ITALY	NAPLES	HOSPITAL REPLACEMENT	30,000	-30,000	0
UNITED KINGDOM	DOD DEPENDENT SCHOOL, BICESTER	ELEMENTARY SCHOOL	5,650	-5,650	0
UNITED KINGDOM	DOD DEPENDENT SCHOOL, UPWOOD	ELEMENTARY SCHOOL ADDITION	3,900	-3,900	0
** SUBTOTAL			89,915	-89,915	0
** TOTAL			594,685	-594,685	0

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CHANGES

STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
		UNITED STATES ARMY			
CALIFORNIA	FORT IRWIN	_FAMILY HOUSING NEW CONSTRUCTION (225) - REDUCED FROM 525	54,000	-30,000	24,000
NORTH CAROLINA	FORT BRAGG	COMPANY OPERATIONS FACILITY	25,000	-10,000	15,000
PENNSYLVANIA	NEW CUMBERLAND ARMY DEPOT	EASTERN DISTRIBUTION CENTER - PHASE III	34,000	-2,000	32,000
GERMANY	GIESSEN	HARDSTAND/FACILITY UPGRADE	13,600	-7,500	6,100
GERMANY	VARIOUS, UNSPECIFIED	RANGE MODERNIZATION	30,000	-15,000	15,000
GERMANY	VILSECK	UNDISTRIBUTED REDUCTION	0	-9,000	-9,000
JAPAN	KAWAKAMI	AMMUNITION STORAGE COMPLEXES - SEEK JFAP FUNDING	20,000	-12,000	8,000
_WORLDWIDE	UNSPECIFIED PLANNING AND DESIGN	PLANNING AND DESIGN	133,120	-5,000	128,120
_WORLDWIDE	VARIOUS, UNSPECIFIED	_FAMILY HOUSING MAINTENANCE OF REAL PROPERTY	540,062	-10,000	530,062
_WORLDWIDE	VARIOUS, UNSPECIFIED	_FAMILY HOUSING OPERATING EXPENSES	558,085	-16,000	542,085
WORLDWIDE	VARIOUS, UNSPECIFIED	FAMILY HOUSING IMPROVEMENTS	144,886	-3,000	141,886
** SUBTOTAL			1,552,753	-119,500	1433,253
		UNITED STATES NAVY			
CALIFORNIA	MARINE CORPS BASE CAMP PENDLETON	_FAMILY HOUSING NEW CONSTRUCTION (200) - REDUCED FROM 300	25,760	-8,000	17,760
CALIFORNIA	NAVY PUBLIC WORKS CENTER SAN DIEGO	_FAMILY HOUSING NEW CONSTRUCTION (300) - REDUCED FROM 600	52,840	-25,000	27,840
GEORGIA	NAVAL SUBMARINE BASE KINGS BAY	TRIDENT SUPPORT COMPLEX - UNDISTRIBUTED REDUCTION EXCLUDING COMMUNITY IMPACT	130,700	-7,000	123,700
NEW YORK	NAVAL STATION NEW YORK	_FAMILY HOUSING NEW CONSTRUCTION (125) - REDUCED FROM 250	25,490	-12,000	13,490
NEW YORK	NUCLEAR POWER TRAINING UNIT BALLSTON SPA	_FAMILY HOUSING NEW CONSTRUCTION (100) - REDUCED FROM 200	15,810	-7,000	8,810
NORTH CAROLINA	MARINE CORPS AIR STATION CHERRY POINT	BACHELOR ENLISTED QUARTERS	17,600	-3,500	14,100
NORTH CAROLINA	MARINE CORPS BASE CAMP LEJEUNE	BACHERLOR ENLISTED QUARTERS	18,900	-3,500	15,400
WASHINGTON	NAVAL STATION EVERETT	CARRIER SUPPORT COMPLEX (INCREMENT II) - DEFER PIER	64,800	-34,000	30,800
JAPAN	MARINE CORPS BASE CAMP BUTLER, OKINAWA	BACHELOR ENLISTED QUARTERS IMPROVEMENTS - SEEK JFAP FUNDING	11,300	-5,000	6,300
_WORLDWIDE	UNSPECIFIED PLANNING AND DESIGN	PLANNING AND DESIGN	148,655	-5,000	143,655
_WORLDWIDE	VARIOUS, UNSPECIFIED	_FAMILY HOUSING MAINTENANCE OF REAL PROPERTY	238,217	-7,000	231,217
_WORLDWIDE	VARIOUS, UNSPECIFIED	_FAMILY HOUSING OPERATIONS	267,006	-6,000	261,006
WORLDWIDE	VARIOUS, UNSPECIFIED	FAMILY HOUSING IMPROVEMENTS	48,943	-1,000	47,943
** SUBTOTAL			1,066,021	-124,000	942,021

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CHANGES

STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
		UNITED STATES AIR FORCE			
NEVADA	NELLIS AIR FORCE BASE	CONTROL TOWER CAB	950	1,450	2,400
NEVADA	NELLIS AIR FORCE BASE	JET ENGINE INTERMEDIATE MAINTENANCE SHOP ADDITION/ALTERATION	2,500	1,450	3,950
KOREA	KUNSAN AIR BASE	ALTER AIRCRAFT SHELTERS	7,000	-3,000	4,000
NETHERLANDS	WOENSDRECHT AIR BASE	GLCM FACILITIES - DISTRIBUTED REDUCTION	0	-3,600	-3,600
_WORLDWIDE	UNSPECIFIED PLANNING AND DESIGN	PLANNING AND DESIGN	124,536	-4,200	120,336
_WORLDWIDE	VARIOUS, UNSPECIFIED	_FAMILY HOUSING MAINTENANCE OF REAL PROPERTY	272,410	-5,000	267,410
_WORLDWIDE	VARIOUS, UNSPECIFIED	_FAMILY HOUSING OPERATING EXPENSES	352,557	-6,000	346,557
WORLDWIDE	VARIOUS, UNSPECIFIED	FAMILY HOUSING IMPROVEMENTS	154,520	-3,000	151,520
** SUBTOTAL			914,473	-21,900	892,573
		DEPARTMENT OF DEFENSE AGENCIES			
_WORLDWIDE	DEFENSE AGENCIES	PLANNING AND DESIGN	62,800	-5,000	57,800
** SUBTOTAL			62,800	-5,000	57,800
		NATO INFRASTRUCTURE			
_WORLDWIDE	DEFENSE LEVEL ACTIVITIES	DEFENSE LEVEL ACTIVITIES	396,000	-10,000	386,000
** SUBTOTAL			396,000	-10,000	386,000
		GUARD AND RESERVE ACTIVITIES			
		ARMY NATIONAL GUARD			
_VARIOUS CONUS	VARIOUS, UNSPECIFIED	UNDISTRIBUTED REDUCTION	0	-27,186	-27,186
		ARMY RESERVE			
_VARIOUS CONUS	VARIOUS, UNSPECIFIED	UNDISTRIBUTED REDUCTION	0	-7,000	-7,000

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AUTHORIZATION OF APPROPRIATIONS

CHANGES

STATE/COUNTRY	INSTALLATION NAME	PROJECT DESCRIPTION	SERVICE REQUEST ($ 000)	CUT/ADD ($ 000)	BALANCE ($ 000)
		NAVY AND MARINE CORPS RESERVE			
_VARIOUS CONUS	VARIOUS, UNSPECIFIED	UNDISTRIBUTED REDUCTION	0	-5,000	-5,000
		AIR NATIONAL GUARD			
_WORLDWIDE	VARIOUS, UNSPECIFIED	UNDISTRIBUTED REDUCTION	0	-15,900	-15,900
		AIR FORCE RESERVE			
_WORLDWIDE	VARIOUS, UNSPECIFIED	UNDISTRIBUTED REDUCTION	0	-5,000	-5,000
** SUBTOTAL			0	-60,086	-60,086
** TOTAL			3,992,047	-340,486	3651,561

COMMITTEE ACTION—FISCAL YEAR 1989

The committee authorized for appropriation approximately one half of the department's fiscal year 1989 request. In doing so, it addressed virtually all of the "level of effort" elements of the request such as planning and design, NATO Infrastructure, and family housing operations and maintenance, as well as the requests of the reserve components.

Slightly more than $600 million in specific projects were also authorized for the active components. These projects generally fell within the following categories:

—Multi-year construction projects which were approved for fiscal year 1988 or earlier requests;

—Individual projects which were part of multi-year installation developments which were approved in fiscal year 1988 or earlier requests;

—Individual projects which support procurement actions which have been previously authorized or which are addressed in the bill.

The committee intends to address the remaining construction projects in the fiscal year 1989 request next year as part of an amended fiscal year 1989 authorization. The committee anticipates that the Department of Defense will resubmit its fiscal year 1989 request, adjusting it for actions which the Congress takes on its fiscal year 1988 program, fact of life changes, and revised cost estimates based upon more mature project design.

The committee authorized the following programs for fiscal year 1989. All projects not addressed below have been deferred without prejudice for consideration in 1988.

FISCAL YEAR 1989 MILITARY CONSTRUCTION

Department of the Army

	($000) Request	Auth. for Appropriation
Alaska		
Ft. Wainwright Light Infantry Division	39,700	39,700
Germany		
Rheinberg Physical Fitness Ctr	5,800	5,800
Vilseck New Mission Beddown	33,390	33,390
Worldwide (Various Locations)		
Planning and Design	131,710	126,710
Minor Construction	16,200	16,200
Family Housing Improvements	152,968	145,968
Family Housing Planning	20,000	20,000
Family Housing Operations	800,505	770,505
Family Housing Maintenance	618,586	600,586
Homeowners Assistance	2,000	2,000

Department of the Navy

	($000) Request	Auth. for Appropriation
Alabama		
Naval Station, Mobile Ship Support Complex	19,700	19,700
California		
Naval Station, Long Beach Fleet Location Center	5,460	5,460
Naval Station, Treasure Island Battleship Support Complex (Ph II)	15,180	15,180
Florida		
Naval Air Station, Pensacola Carrier Support Complex	14,320	14,320
Georgia		
Naval Submarine Base, Kings Bay Trident Suppport Complex	52,030	57,730
Increase for Community Impact Assistance		
Louisiana		
Naval Station, Lake Charles Ship Spt. Complex (Ph II)	5,000	5,000
Mississippi		
Naval Station, Pascagoula Ship Spt. Complex (Ph II)	25,700	25,700

New Jersey		
Naval Weapons Station, Earle		
Complex Development	30,050	30,050
New York		
Naval Station, Staten Island		
Battleship Spt. Complex (Ph IV)	10,480	10,480
Oklahoma		
Tinker AFB		
Aircraft Support Facilities	38,080	38,080
Texas		
Naval Station, Galveston		
Ship Spt. Complex (Ph II)	1,690	1,690
Naval Station, Ingleside		
Battleship Spt. Complex (Ph II)	31,850	31,850
Washington		
Naval Station, Everett		
Carrier Spt. Complex (Ph IV)	52,950	86,950
Add pier		
Guam		
Naval Station, Guam		
Road Improvements	2,820	2,820
Worldwide (Various Locations)		
Planning and Design	153,333	147,333
Minor Construction	16,300	16,300
Family Housing Improvements	62,689	59,689
Family Housing Planning	6,315	6,315
Family Housing Maintenance	247,321	240,321
Family Housing Operations	319,746	307,746

Department of the Air Force

Alaska		
Elmendorf AFB		
OTH-B Operations Building	18,000	18,000
Various Locations		
Alaska OTH-B Power Plant	37,750	37,750
Kansas		
McConnell AFB		
B-1B Power Check Pad	3,050	3,050
North Dakota		
Grand Forks AFB		
B-1B Facilities	3,400	3,400
OTH-B Facilities	12,970	12,970

South Dakota		
Ellsworth AFB		
B-1B Facilities	1,300	1,300
Texas		
Dyess AFB		
B-1B Facilities	1,410	1,410
Utah		
Hill AFB		
Peacekeeper Facilities	6,500	6,500
Washington		
Fairchild AFB		
Cruise Missile Spt. Facilities	4,700	4,700
CONUS Various		
Base 61		
Cruise Missile Facilities	10,450	10,450
Oman		
Masirah AB		
Approach Lighting System	2,850	2,850
Seeb AB		
Jet Fuel Storage	7,300	7,300
Overseas Classified		
Base 44		
MC-130 Facilities	2,450	2,450
Worldwide (Various Locations)		
Planning and Design	141,733	135,733
Minor Construction	16,500	16,500
Family Housing Improvements	173,280	165,280
Family Housing Planning	7,000	7,000
Family Housing Maintenance	286,138	277,138
Family Housing Operations	469,602	450,602

Defense Agencies

New Mexico		
Kirtland AFB		
Dental Clinic Replacement	2,550	2,550
Texas		
Ft. Sam Houston		
Hospital Replacement (Ph I)	23,000	23,000
Washington		
Ft. Lewis		
Madigan AMC (Ph V)	59,000	59,000

Worldwide (Various Locations)		
Planning and Design	68,100	65,100
Family Housing Operations	19,600	19,600
NATO		
Various Locations		
NATO Infrastructure	412,100	402,100
Guard and Reserve Forces		
Army National Guard	161,100	150,100
Army Reserve	108,000	100,000
Navy and Marine Corps Reserve	56,923	52,923
Air National Guard	137,000	128,000
Air Force Reserve	59,300	55,300

SEC. 2801—GUARD AND RESERVE MINOR CONSTRUCTION

This proposal will modify 10 USC 2233(a) to raise the guard and reserve threshold on O&M funded minor construction projects from $100,000 to $200,000. This would make the O&M limit the same as for the active components.

SEC. 2802—INTERCHANGE OF SUPPLIES AND REAL ESTATE

The committee has consistently opposed the administration's policy of buying and selling properties between federal agencies. The conference on the fiscal year 1985 military construction authorization bill opposed this policy and, in the fiscal year 1986 bill, the committee added a provision that forbids any official of the executive branch from voiding the no cost interservice military transfer authority of section 2571 of title 10. Notwithstanding this provision, interservice transfers involving military property reported to the General Services Administration for disposal purportedly are still subject to market value payment requirements. The committee does not agree with this interpretation and has added a provision that further clarifies section 2571 of title 10 by including all military property, including excess property, within its no cost transfer authority. Until such property is actually disposed of by legitimate sale or transfer to another federal agency, it will be available for a no cost interservice transfer. The normal military reporting requirements of section 2662 of title 10 will continue to preclude specious or unwarranted interservice transfers.

SEC. 2803—WAIVER OF LIMITATIONS ON LEASES

This provision will provide permanent authority in peacetime to waive the current limits (15% of Fair Market Value for rent, 25% of the first year's rent for alteration/repairs) that apply to leases for facilities. This authority currently exists in 40 U.S.C. 278b but is an emergency authority only.

SEC. 2804—MINOR CONSTRUCTION THRESHOLD

This provision will increase the threshold for minor construction projects from $1,000,000 to $2,000,000 and increase the reporting limit from $500,000 to $1,000,000.

SEC. 2805—MOBILIZATION CONSTRUCTION AUTHORITY

This provision will permit the Secretary of Defense to authorize construction if the President determines that mobilization may be required. The authority to obligate up to $100,000,000 from unobligated military construction funds is included in this provision.

SEC. 2806—LONG-TERM FACILITIES CONTRACTS

This provision will add hospital and medical facilities to the types of facilities that could be acquired under this test program. It would also extend the test for two years, through fiscal year 1989.

SEC. 2807—NO COSTS ACQUISITION OF FAMILY HOUSING

This proposal will modify title 10, USC to authorize the service to acquire existing housing at no cost with a 14 day notice and wait provision. This would accelerate the process which now needs to go through the budget justification process.

SEC. 2808—FAMILY HOUSING IMPROVEMENT THRESHOLDS

This provision will eliminate the threshold on family housing improvements. Improvement projects are currently constrained in order to stay within the statutory limit. To ensure that all facilities deficiencies are identified for correction, the statutory limit has been removed.

SEC. 2809—HIGH COST THRESHOLD

This proposal will increase the maximum per unit threshold for foreign leases from $16,800 to $20,000 per year. This would allow for increases due to inflation and foreign currency exchange rate losses since fiscal year 1983.

SEC. 2810—LEASING THRESHOLD

This proposal will increase the congressional notification threshold for new family housing leases from $250,000 to $500,000 per year. The increase will allow larger blocks of units to be leased without notification and wait delays added to the process.

SEC. 2811—FAMILY HOUSING LEASING

This provision will extend the section 801 housing program to September 30, 1989, authorize additional units for the services and extend this authority to the United States Coast Guard. The proposal would also authorize the acquisition of existing units that have been rehabilitated. This will allow more flexibility, especially in densely populated areas where land availability is a problem.

SEC. 2812—COST VARIATION CHANGE

The committee is concerned about the variety and volume of reports which the services are required by current statute to submit to the Congress regarding the execution of their military construction programs. One of the most frequent reports is notification of a variation in cost of a construction project required by 10 USC 2853.

Last year the committee commended the services for those instances in which several related projects were combined into a composite authorization request, and it encouraged more use of this approach to simplify the approval process. In several instances, the committee reported individual projects in a composite form. One of the purposes of this approach was to simplify and streamline the services' execution of the authorized construction.

As a corollary to last year's action, the committee has amended section 2853 of title 10 to change focus of cost variation reporting from the appropriated value of an individual project, to the value of the sum total of the military construction projects authorized at an installation. Services will be able to manage their funds within the installation authorization. Cost variation reports will only be required when the cost of the aggregate authorized construction projects at an installation exceeds 125 percent of the authorized value, or 200 percent of the amount specified by law as the maximum amount for a minor construction project, whichever is less. It is the committee's hope that this change will increase the flexibility of local construction agents and substantially reduce the costly delays which the current reporting criteria cause.

SEC. 2813—FAMILY HOUSING IMPROVEMENTS

This proposal would specifically include family housing improvements within the 25 percent cost variation authority that applies to other military construction projects.

SEC. 2814—TURN-KEY SELECTION PROCEDURES

This provision will authorize the heads of the defense agencies to acquire facilities through one-step turnkey contracts. The current program is limited to the military departments.

SEC. 2815—SETTLEMENT OF CONTRACTOR CLAIMS

This provision will allow the military departments to settle construction contractor claims using any available MILCON funds. This would eliminate the requirement to reserve funds for possible contractor claims, improve execution rates and improve financial record keeping by allowing earlier close out of old projects.

SEC. 2816—FAMILY HOUSING RENTAL GUARANTEE PROGRAM

This proposal will authorize the acquisition of existing units that have been rehabilitated under authority of the section 802 program, extend the program to include defense agencies and the United States Coast Guard, and allow the renewal of existing contracts when the units are on government-owned land. These changes will increase the desirability of the program and encourage more interest from the private sector.

SEC. 2817—MATHER AIR FORCE BASE CALIFORNIA

The committee recognizes that Mather Air Force Base, California, is currently being studied by the Department of the Air Force for closure. Nevertheless, the department requested authorization of three construction projects in fiscal year 1988 for this base.

In reviewing this request, the committee has denied funding of one project, a base flight operations facility valued at $2,300,000, due to budget constraints. The committee authorized the remaining two facilities, a fuel systems dock and an alteration/addition to an electronic warfare flight training facility. Their total cost is $4,800,000. The committee's action recognizes the requirement for these two projects should the Air Force decide to retain Mather as an active installation supporting its current missions.

The Air Force is precluded from obligating or expending these funds until the Secretary of the Air Force has submitted to the Committees on Armed Services the department's completed base closure study, and has certified that the department plans to retain the base as an active installation with its current missions.

In the event that the department determines that Mather AFB should be closed, the authorization authority for these two projects shall be applied to the construction requirement associated with relocating Mather's missions elsewhere.

SEC. 2818—BROOKE ARMY MEDICAL CENTER, TEXAS

Section 2401 of the Military Construction Authorization Act of 1986 authorized the construction of a new hospital to replace the current Brooke Army Medical Center at Fort Sam Houston, Texas. The conferees authorized the design of a 450 bed hospital with initial construction of a 200 bed facility. The 200 bed facility was to be designed and sited for efficient expansion to its full 450 bed capacity if the increase is required in the future. The project was authorized at $135 million to accommodate this flexible design.

The committee reaffirms this decision. However, in the intervening year, it has become apparent that the project authorization will not be adequate to construct the intended facility. Therefore, the committee has amended the fiscal year 1987 authorization, increasing it by $106 million to a total authorization of $241 million.

SEC. 2821—LAND EXCHANGE AT HAMILTON AIR FORCE BASE, CALIFORNIA

The committee authorizes the Secretaries of the Army and Navy to exchange real property interests with the pending purchaser of certain excess government land at Hamilton Air Force Base, California. The excess lands are adjacent to Army and Navy properties and the exchanges will facilitate more efficient management of all the involved lands. The purchaser must assume title to the excess lands prior to any exchange transaction. Each transaction requires that the Secretary of the Army or Navy receive at least equivalent value for the real property interest conveyed and shall be subject to such other terms and conditions as the respective Secretary considers to be in the interest of the United States.

These transactions are not obligatory and are subject to further negotiations, but are expected to include, though not be limited to, the following:

(A) Purchaser would convey to the Army a new reserve center and/or certain parcels totaling approximately 12.7 acres, and an easement to runway light controls, and easements for stormwater drainage and flood protection.

(B) The Army would convey to purchaser certain parcels totaling approximately 17.7 acres, an easement to extend Hangar Road, an easement for a possible ferry, an easement to a sewer pump station, and easements for stormwater drainage and flood protection.

(C) Purchaser would convey to the Navy a new commissary facility on Navy property; relocation of certain offices, shops, and warehouses; provision of housing for use by Navy personnel, a right-of-way for Main Gate Road of approximately 4 acres with ingress and egress rights retained by purchaser; athletic facility improvements, and easements for stormwater drainage and flood protection.

(D) The Navy would convey to purchaser certain parcels totaling approximately 17.6 acres, easements for a road, easements for stormwater drainage and flood protection, and an easement for use of athletic fields.

The committee understands that other agreements, and easements, such as an agreement to share utilities may be entered into between the respective Secretaries and the purchaser.

SEC. 2822—LAND EXCHANGE, ORANGE COUNTY, CALIFORNIA

The section authorizes the Navy to enter into a land exchange with Orange County, California, through which an approximately 137 acre parcel of federal land surrounded by the County's Mile Square Regional Park, is exchanged for approximately 41 acres of land adjacent of Marine Corps Air Station, Tustin. This authority extends a similar land exchange which was authorized in the Military Construction Authorization Act of 1983, P.L. 98-115.

This land exchange will provide the Marine Corps sufficient land to complete the El Toro/Tustin family housing construction plan, and provide the county additional recreational land in the midst of the existing regional park.

The transfer is proposed as a value for value exchange. Should the value of the federal property exceed that of the property the county is providing, the difference will be paid by the county and accrue to the United States Treasury.

SEC. 2823—LEASE OF 10TH AVENUE TERMINAL, SAN DIEGO, CALIFORNIA

The committee authorizes the Secretary of the Navy to lease approximately 275,000 square feet of dry and cold storage space at the Port of San Diego's 10th Avenue Terminal for up to 30 years. The spaces are adaptable to meet Navy requirements at a fair market rent that compares favorably with purchase of comparable facilities. Lease of this space will greatly reduce the Navy's significant storage deficiency in the San Diego area. Moreover, it will allow for consolidation of several storage operations, currently located in leased spaces throughout the area, at an ideal site with ship berthing capability and close to Navy waterfront installations. Operational and management efficiencies are expected as a result of this initiative.

SEC. 2824—LAND CONVEYANCE, LAWRENCE TOWNSHIP, INDIANA

Section 2824 would authorize the Secretary of the Army to sell and convey at fair market value approximately 3.23 acres of land at Fort Benjamin Harrison, Indiana, to Lawrence Township, Marion County, Indiana, for the purpose of constructing a new township office building. The U.S. government may reenter and use the property without paying compensation in the event of a national emergency or declaration of war.

SEC. 2825—WHITE SANDS MISSILE RANGE, NEW MEXICO

The committee has included a provision authorizing the Secretary of the Army to convey certain mineral rights on White Sands Missile Range to the state of New Mexico subject to such terms and conditions as shall be recommended by the Attorney General of the United States. This provision will permit the settlement of a United States claims court case, *Humphries* v. *United States, U.S. Cl. Ct. 94-79L,* involving condemnation of state trust land and minerals during World War II.

This has been a longstanding issue between the United States government and the state of New Mexico and the current claims court case has been pending for eight years. One aspect of the proposed settlement includes conveyance to the state of New Mexico of an overriding royalty or non-participatory mineral interest in the minerals which the United States condemned and took from the state. The Department of Justice has indicated such a proposal would be appropriate if so authorized by the Congress.

SEC. 2826—FORT JACKSON, SOUTH CAROLINA

The committee amended an authority provided to the Secretary of the Army in the Military Construction Authorization Act of 1986, Sec. 840, which authorized the sale of real estate on Fort Jackson, South Carolina, in consideration of facility construction which would be built on or near the post. The amendment provides additional authority to use proceeds from this land sale to construct a water system improvement project on Fort Jackson and provide improvements to the post's family housing stock. The total additional construction under this authority shall not exceed $6,400,000.

CAMP GRAYLING RANGE, MICHIGAN

The committee notes the significant readiness potential of the National Guard's proposed Multi-Purpose Range Complex at Camp Grayling, Michigan.

This project is currently under initial design, and the state of Michigan has already expended funds to secure associated real estate interests. A modern, multi-purpose range would provide active and reserve component units of the Fourth Army Area the opportunity to employ the most modern weapons in combined arms exercises in a training environment similar to Western Europe.

The National Guard Bureau is directed to continue to design this project for submission with the amended fiscal year 1989 military construction request.

RAMP TEST AND INTEGRATION FACILITY

The committee is concerned about the lack of development of a design for a facility to house and support the first flexible manufacturing cell of the Rapid Acquisition of Manufactured Parts (RAMP) program. The initial operational capability (IOC) of this facility is scheduled for 1990. To date, the design level for P-853 is zero percent complete. The committee feels it is imperative that this program, jointly sponsored by NAVSEA and NAVSUP, not slip in its original schedule.

The Charleston Naval Shipyard (CNSY) has been designated as the Navy's initial Naval Industrial Activity site for project RAMP. RAMP, a research and development project under development since late 1982, seeks to integrate automated manufacturing, computer based data management, and telecommunications techniques to provide a capability to produce parts on demand. It would greatly improve performance by decreasing response time to fleet needs for spare or emergency repair parts which may not be otherwise available in suppliers inventories.

Proof of concept demonstrations at the National Bureau of Standards and at private contractors' facilities have demonstrated the feasibility of RAMP. The Navy estimates the cost to manifest the RAMP program to be 60 million dollars. The Navy presently has 11 billion dollars in its low usage parts inventory. RAMP implementation should greatly decrease this inventory. Additionally, RAMP will cut the procurement cycle for hard-to-get parts from 300 days to 30 days.

Preliminary military construction project data indicates that a 15,000 square foot building will be necessary to accommodate the RAMP equipment. The latest cost estimate provided by the Navy for this building is 4 million dollars. The committee strongly encourages the Navy to accelerate its design work for P-853 so that funding consideration may occur at the earliest possible opportunity.

STUDY OF THE PIKETON, OHIO DEPARTMENT OF ENERGY FACILITY FOR DEPARTMENT OF DEFENSE USE

The Senate Armed Services Committee directs the Department of Defense to report to Congress within six months of enactment of this legislation with an assessment of the potential of the vacant Gas Centrifuge Enrichment Plant (GCEP) at Piketon, Ohio for Department of Defense uses. The Department of Energy owns the GCEP facility which has been determined to be excess to DOE's needs and is available to other government organizations.

ADAK MIDDLE SCHOOL, ALASKA

The island of Adak, Alaska, is a remote location for a number of key missions of the United States Navy. Its nearest neighbor is Atka Island, some 130 miles away, and the nearest substantial, independent community is Kodiak, some 1,200 miles away.

Adak's population of 5,000 is almost exclusively Navy personnel. This number is scheduled to increase substantially in the coming years as new missions are located in this vital region. The Navy currently has 700 units of family housing under construction there. Because of its isolation, there are no educational or recreational alternatives outside the Adak community.

Community schools have not been able to expand sufficiently to meet the increased demand generated by the expanded Navy missions. By the time all additional family housing is completed in 1990, approximately 1,100 Navy students will be enrolled in the local school system.

In light of this defense-generated need for educational facilities on Adak and the backlog of requirements eligible for Department of Education funding under P.L. 81-815, the committee asks the Secretary of Defense to direct the design of a new middle school there so that it can be considered as part of the amended fiscal year 1989 military construction authorization request.

FITZSIMONS ARMY MEDICAL CENTER, COLORADO

The committee notes that there have been substantial delays affecting the base realignment study of Fitzsimons Army Medical Center in Aurora, Colorado. This study was begun in May, 1985, and was scheduled to be completed by August, 1986. However, due to modifications in the study's terms of reference, the completion date has been significantly extended.

The committee appreciates the Defense Department's need for modern medical training facilities, sound medical mobilization centers, and tertiary care centers for active duty personnel, military retirees, and their dependents. It also is aware that the modernization of Fitzsimons Army Medical Center has been held in abeyance pending completion of the Army's realignment study.

The committee urges the Secretary of the Army to complete this analysis as soon as possible so that its conclusions and recommendations can be used in the formulation of the Defense Department's health facilities portion of the amended fiscal year 1989 military construction request.

PORTSMOUTH NAVAL SHIPYARD, NEW HAMPSHIRE

The committee is concerned that if the design for a project at the Portsmouth Naval Shipyard does not begin in fiscal year 1987, that it may not be ready for funding consideration in the amended fiscal year 1989 military construction request. The project is the Modernization and Cover for Drydock #2 and is a critical first step in the modernization of Portsmouth Naval Shipyard. The project is required to meet SSN 688 refueling requirements at the yard. Early design and construction are necessary to meet future submarine overhaul and refueling schedules. The committee directs the Department of Defense to begin design work on this project.

NATIONAL CAPITAL REGION

The committee has been concerned for several years with the rapid growth of Defense Department presence in the National Capital Region, and the apparent lack of a coherent plan to control this growth as well as providing the associated facilities in the most cost effective manner.

Currently, almost 60 percent of the administrative space occupied by the department in the National Capital Region is leased. Many of these lease agreements are of short duration and are uneconomical. Further, a significant portion of the department is housed in the Pentagon (managed by the General Services Administration) which has deteriorated to the point that it now requires major renovation. This renovation will temporarily displace large numbers of persons who will require alternative facilities.

In order to address the overall issue of DOD facility requirements within the National Capital Region, the department is directed to develop an overall master development plan for the Region and submit it to the Committees on Armed Services no later than October 15, 1987. It is the committee's intent to review this plan prior to considering any additional administrative facilities in the Region in the fiscal year 1989 military construction request. At a minimum, this report shall include:

—Description of current DOD presence in the Region together with a justification for the presence of activities in this high cost area and a description of their current and projected facility needs.

—Ten year historical audit of DOD presence in the National Capital Region, including a list of the activities which have been added or which have left the area.

—Ten year projection of the DOD presence in the Region with associated facility requirements.

—Description of current and ten year projection for leases and GSA charges.

—Master plan for providing administrative space for essential DOD activities in the NCR including alternative approaches for meeting facility shortfalls along with associated economic analyses and environmental evaluations. This plan and its alternatives shall be coordinated with appropriate planning authorities such as the National Capital Planning Commission.

Last year, Congress prohibited the Defense Department from expending design funds to build a new administrative facility on the Pentagon Reservation. The committee remains concerned about increased traffic congestion and parking problems in the Pentagon area and therefore believes this prohibition should remain in effect until the comprehensive report has been reviewed by the Committee. This prohibition does not prevent the department from examining alternative additional facilities to be located in the Pentagon complex as part of the study.

U.S. TRANSPORTATION COMMAND

The committee notes that the Secretary of Defense recently announced the decision to establish the United States Transportation Command, an amalgamation of Military Airlift Command, Military Sealift Command, and the Military Traffic Management Command. The headquarters for this organization is to be at Scott Air Force Base, Illinois.

The committee is aware that the timing of this decision precluded the Air Force from planning and designing facilities to accommodate this new organization. While the consolidation will occur over several months, accommodation of the command's staff will require the use of thoroughly deficient facilities which have been scheduled for disposal. Special needs for computers and communications will require inefficient work-arounds and effectively preclude the accommodation of more modern, expanded systems.

In light of the above problems, the Secretary of Defense is directed to commence design of a new administrative facility for the United States Transportation Command, and any other support facilities (including family housing) required by this important new organization. It is the committee's desires to be able to consider such construction projects when it reviews the department's amended fiscal year 1989 military construction request next year.

One project associated with the establishment of the United States Transportation Command which needs to be started and can be executed in fiscal year 1988 is the improvement and renovation of family housing units for the command's general officers. The committee authorizes $239,000 for the conversion of three duplex family housing units on Scott Air Force Base into three flag officer homes. This shall be accommodated within the overall service authorization for family housing improvements. Care shall be taken in affecting this renovation to appropriately preserve any historically significant exterior features of these structures. Inasmuch as these three units will exceed the statutory space limit for this type of quarters, sec. 2303 of the bill includes a waiver to permit this construction.

DIVISION C—OTHER NATIONAL DEFENSE AUTHORIZATIONS

TITLE I—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

NUCLEAR MATERIALS PRODUCTION

The committee notes with concern related developments during the past year in the operation of reactors that produce plutonium and tritium. Taken together, these developments will adversely affect our ability to support the nuclear weapons stockpile over the long term. Specifically, the N-reactor at Richland, Washington, was shut down for installation of various improvements following in the wake of the Chernobyl incident; the C-reactor at Savannah River was shut down as a result of cracks in the reactor vessel that have not been repairable; and the remaining three reactors at Savannah River are currently operating at reduced power levels, with correspondingly reduced output of critical nuclear materials, as a result of questions concerning the emergency cooling system. Under the most optimistic of scenarios, the continued adequacy of these reactors, all of which are over twenty years old, to meet our nuclear material needs is uncertain.

At the same time, budgetary constraints on the Department of Energy's Weapons Program have been aggravated in recent years by increasing requirements for environmental restoration projects, and for improved health, safety, and security projects. The result has been both increasing pressure on the operating funds available to the materials production area, and an annual deferral of action to provide for replacement reactors.

In view of the current situation, the committee believes that decisive action is necessary, both to deal with the budgetary crisis and to provide for an assured source of critical nuclear materials to sustain our nuclear deterrent in the future. To that end, the committee believes that reactor operations at Richland, Washington, which may be curtailed by safety considerations in any event, be halted indefinitely in order to make funds available to meet future needs. Accordingly, the committee directs the Department of Energy to place the N-reactor in a "cold" standby status that would minimize further expenditure of funds for both modification and operation of the reactor, while protecting the option to restart operation with a lead time of not less than two-to-three years. In a related action, the committee recommends no fiscal year 1988 funding for Project 84-D-135, Process Facility Modifications for Purex at Richland, Washington. To assure the highest probability of meeting the tritium needs of the stockpile, the committee also recommends that funding levels for reactor operations at Savannah River be restored to the fiscal year 1987 levels.

In order to provide an assured source of nuclear material in the long term to maintain our nuclear deterrent, the committee directs the Department of Energy to initiate a project for a new production reactor as a matter of urgent priority. To this end, the committee has recommended for authorization $10 million in operating funds and $15 million for construction planning and design. The authorization of funds to be appropriated for planning and design of a new production reactor shall not be construed or interpreted to be a major federal action requiring the preparation of an environmental impact statement pursuant to the provisions of the national Environmental Policy Act (43 U.S.C. 4321) until such time as the Secretary of Energy has selected a site for the construction of said reactor.

The committee expects the Secretary of Energy to act expeditiously to identify a preferred technology and location for a new production reactor. To that end, the Secretary of Energy shall submit to the committee on Armed Services of the Senate and House of Representatives a report describing the acquisition strategy of the secretary for a new production reactor as soon as possible, but not later than February 1, 1988. This report should contain, but not be limited to, an evaluation of the alternative sites and technologies, including all safety features considered, their associated costs and schedules, and the recommendation of the Secretary of Energy with respect to the preferred alternative. The report should also contain the recommendation of the Nuclear Weapons Council with respect to matters within the responsibility of the council.

The committee would look favorably on a two-step acquisition strategy that would initiate work now on a new reactor with known technology that minimized lead time and took maximum advantage of existing infrastructure, while initiating planning for a second new reactor with another technology. The committee also believes that the primary objective of a new production reactor should be to provide a reliable source of tritium, although any new reactor should be capable of producing plutonium.

In addition to supporting the earliest availability of a new production reactor, the committee believes that technologies that contribute to the availability of plutonium should be pursued aggressively. Accordingly, the committee fully supports the Department's request for Special Isotope Separation (SIS).

INERTIAL CONFINEMENT FUSION

The committee recommends increasing the authorization for inertial confinement fusion research from the requested level of $118.5 million to $155 million. In light of the favorable recent National Academy of Sciences report on the program, the committee believes that continuing this program at the same level of funding it has received in recent years is justified. The Department of Energy should report to the Armed Services committees of the House and Senate on how these funds are to be allocated among the various participants involved in this program within thirty days of enactment of this act.

LOS ALAMOS COMMUNITY ASSISTANCE PAYMENTS

The committee authorized the full amount requested for community assistance payments to Los Alamos County, New Mexico, and the Los Alamos School Board, for fiscal year 1988. In fiscal year 1986, the congress authorized a one-time payment to the Oak Ridge communities to buy out all remaining federal obligations to those communities under the Atomic Energy Community Act of 1955. Similarly, federal obligations under the act to the city of Richland, Washington, and the Richland School District were bought out through lump-sum payments in the 1970s. The committee encourages the Department of Energy, consistent with budgetary constraints, to pursue a similar approach with Los Alamos County and to include the necessary funds in its revised fiscal year 1989 budget request.

MX WARHEADS

Subsection (a) of section 1426 of the Department of Defense Authorization Act, 1986, (P.L. 99-145) prohibits the Department of Energy from acquiring the piece parts or assembling more MX warheads than are required for the 50 deployed missiles plus those spare warheads necessary for maintenance float and the reliability testing program. The administration has now proposed the deployment of additional MX missiles in the rail-garrison basing mode. Although the congress has not specifically authorized the deployment of additional MX missiles in the rail-garrison (or any other) basing mode, the acquisition of additional MX warhead piece-parts is on the critical path to maintaining a 1991 Initial Operational Capability date. Accordingly, the committee has decided to repeal this prohibition (in sec. 3131) but cautions the DOE that this action does not constitute approval for further deployment of MX missiles, or for the fabrication of additional MX warheads. The department should use the authority granted by this repeal only to acquire those specific MX warhead piece-parts necessary to preserve the option for a 1991 IOC of additional deployed MX missiles.

DOE PATENT POLICY

The Department of Energy currently pursues a more restrictive policy on allocation of patent rights in inventions made by its contractors than other federal agencies, including the Department of Defense. While it is important to protect classified and sensitive inventions, it is important that DOE not create a disincentive for employees of contractors to apply for patents.

The committee has included a provision which would expedite the handling of requests of DOE contractors for ownership of inventions or discoveries. Under the provision the Secretary of Energy must react to a contractor request for title to an invention or discovery within six months. The Secretary may deny the request if the invention or discovery has been classified or has been designated sensitive technical information. If the Secretary does not act within six months, rights revert to the contractor as is currently the case for contractors of other federal agencies under Public Law 98-620 and its implementing regulation.

The committee's amendment is consistent with the President's April 10, 1987 Executive Order on "Facilitating Access to Science and Technology." That order seeks to promote a greater role for our federal laboratories in helping U.S. industry respond to its international competition. In the area of patent rights, the order tells the agency heads to, "to the extent permitted by law, promote the commercialization . . . of patentable results of federally funded research by granting to all contractors, regardless of size, the title to patents made in whole or in part with Federal funds, in exchange for royalty-free use by or on behalf of the government."

OTHER ACTIONS TO MEET BUDGETARY TARGETS

Due to budgetary considerations, the committee was forced to take additional actions with respect to the overall level of funding for the Department of Energy. These actions include a $20 million reduction in the amount requested for Enriched Material, which would have the effect of keeping the level of support for Navy Nuclear Reactors at last year's level, and undistributed reductions of $156.5 million and $10 million for Department of Energy weapons programs and Naval Reactors Development programs, respectively.

Finally, the committee recommended authorization of $380 million of the $480.6 million requested for Directed Energy Research in support of the Strategic Defense Initiative. This would have the effect of limiting growth in this research to about ten percent over last year's level, adjusted for the appropriation transfer. To help cushion the effect of this reduction on the core research program, the committee agreed to add $10 million to non-SDI related weapons research and development activities.

The net effect of all committee recommendations with respect to the $8,050 million requested by the administration for Department of Energy National Security Programs is a reduction of $225.6 million, which approximates zero real growth, or zero growth adjusted for inflation.

STUDY OF THE FEASIBILITY OF REDUCED RELIANCE ON UNDERGROUND NUCLEAR TESTING

On October 10, 1986, President Reagan informed this committee that once the administration's concerns about the verifiability of the 1974 Threshold Test Ban Treaty (TTBT) and the 1976 Peaceful Nuclear Explosions Treaty (PNET) had been satisfied and the two treaties had been ratified, he would propose "that the United States and the Soviet Union immediately engage in negotiations on ways to implement a step-by-step parallel program—in association with a program to reduce and ultimately eliminate all nuclear weapons—of limiting and ultimately ending nuclear testing." The committee agrees that any further nuclear test limitations beyond those contained in the TTBT and PNET should be an integral part of a comprehensive approach to arms control, with further limitations on nuclear testing established only in association with further progress in other areas of arms control.

The committee notes also the continuing controversy over the extent to which the reliability of the nuclear weapon stockpile, or our confidence in it, would be affected during a prolonged period of substantial limits on testing beyond those in the TTBT. While there is a range of opinion expressed by the expert community on this subject, the committee believes that the gravity of the issue is such that a conservative position should be taken; that is, the committee believes that we must understand how to deal with some degree of unreliability that might develop over time.

The committee also notes that there is disagreement in the expert community as to the yield above which nuclear tests can be reliably identified as such—the range of disagreement extending approximately between 1 kiloton and 10 kilotons.

Finally, the committee notes the salutary precedent, first established in conjunction with the 1963 Limited Test Ban Treaty, of providing safeguards concomitant to nuclear testing limitations. The committee continues to support the ratification and entry into force of the TTBT and PNET, subject to improved verification procedures.

In light of these several considerations, the committee believes that, as a safeguard against the implementation at some future date of further test limitations, the administration should begin to assess the feasibility of modifying the nuclear stockpile in ways that would minimize both the likelihood and the impact of unreliability that might develop during a period of further restricted testing. If such measures are feasible, DOD and DOE should undertake a program to evaluate the cost and timetable to prepare a more durable stockpile and to implement such changes as may be needed to delivery systems. The committee seeks to understand the feasibility of a posture for the nation's nuclear weapon stockpile which, in the face of long-term and substantial further limitations on testing, would be as well suited as possible to preserving the essential elements of our national security.

To this end, therefore:

I. The Nuclear Weapons Council (NWC) shall direct the Department of Energy (DOE) to study the extent to which it is feasible to prepare the stockpile to be less susceptible to unreliability during long periods of substantially limited testing. The DOE shall report its findings through the NWC to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives not later than 1 July 1988. This report shall include an assessment of the feasibility of developing and stockpiling nuclear warheads that would be either

a) less subject than current warheads to degradation while in stockpile for long periods of time; or

b) more amenable than current warheads to reliability assessment and, where necessary, to reliable repair, both accomplished without nuclear testing; or both.

The report should describe ways in which existing and/or new types of calculations, non-nuclear testing, and permissible but infrequent low-yield nuclear testing might be used to move toward these objectives. It should also address the potential utility of the Inertial Confinement Fusion (ICF) program in such a regime.

To the extent it is determined feasible in this study to achieve these objectives, the report should describe the scope and nature of the research, development and testing program needed, first, to fully assess this issue and then to prepare designs for more durable warheads, including:

1. any nuclear testing required before further limits are imposed;
2. the type and cost of any additional facilities, such as non-nuclear, allowed low-yield nuclear testing, or Inertial Confinement Fusion facilities, which would be required either before or after the commencement of further limits on testing; and
3. the lead-time required to move to a regime of fewer tests.

Finally, the report should estimate the penalties in size, weight, safety, or other characteristics that more durable warheads would impose on the military systems of which they might be a part.

II. Concurrent with this tasking, the NWC shall direct the DOD to study the following:

a) the extent to which the military capabilities of the nuclear warhead stockpile might be affected by incorporation of such more durable warhead designs;

b) the extent to which commonality among such designs in the stockpile (i.e., using the same warhead design for more than one system application) might be desirable or feasible, considering advantages and disadvantages of commonality both for durability and for minimizing degradation of military characteristics;

c) ways in which such possible degradation of military characteristics might be partly or fully compensated for by changes in other nuclear weapon system characteristics; and

d) whether there could be degradation of weapon system survivability in ways similar to those which might produce warhead reliability degradation during prolonged periods of further nuclear test limitations, and, if so, whether there are ways to provide additional durability or survivability if measures are put in place either before or after commencement of such further test limitations.

The DOD shall report its findings on the above through the NWC to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives not later than 1 July 1988.

For the purposes of the reports of Sections I and II, the department shall assume that the further test limits would preclude nuclear tests above a) 1 kiloton or b) 10 kilotons.

III. Concurrently with the above reports, the President shall report to the Congress on considerations pertaining to the relationship between:

a) various types and degrees of progress in other areas of arms control—for example, further limitations on the number or characteristics of nuclear weapons systems, their geographical deployment, or limitations on other military systems such as chemical weapons or conventional forces; and

b) progressively more stringent limitations on nuclear testing, such as reductions in yield threshold below the TTBT, limitations on numbers of tests, or combinations of these, including, but not limited to, limitations as stringent as a complete ban on tests above 1 kiloton.

SUMMARY
Fiscal Year 1988 DOE Authorization
[Amounts in millions of dollars]

Program	FY 1988 Authorization Request	Change	Net
SUMMARY TABLE			
Weapons Activities	4,534.7	46.5	4,581.2
Operating Expenses	3,671.8	42.5	3,714.3
Construction	545.7	0.0	545.7
Capital Equipment	317.2	4.0	321.2
Materials Production	1,881.6	(5.0)	1,876.6
Operating Expenses	1,489.0	(10.0)	1,479.0
Construction	291.2	5.0	296.2
Capital Equipment	101.4	0.0	101.4
Environmental Restoration and Management of Defense Waste and Transportation	811.2	0.0	811.2
Operating Expenses	492.6	0.0	492.6
Construction	274.2	0.0	274.2
Capital Equipment	44.4	0.0	44.4
Verification and Control Technologies	100.6	0.0	100.6
Operating Expenses	95.5	0.0	95.5
Construction	0.0	0.0	0.0
Capital Equipment	5.1	0.0	5.1
Nuclear Safeguards and Security	77.8	0.0	77.8
Operating Expenses	73.2	0.0	73.2
Construction	0.0	0.0	0.0
Capital Equipment	4.6	0.0	4.6
Security Investigations	32.0	0.0	32.0
Operating Expenses	32.0	0.0	32.0
Construction	0.0	0.0	0.0
Capital Equipment	0.0	0.0	0.0
Naval Reactors Development (Undstbd)	612.0	(10.0)	602.0
Operating Expenses	544.1	0.0	544.1
Construction	17.9	0.0	17.9
Capital Equipment	50.0	0.0	50.0
Undistributed Reductions (Dir En Rsrch)		(100.6)	(100.6)
Undistributed Reductions (Wpns Pgm)		(156.5)	(156.5)
TOTAL	8,050.0	(225.6)	7,824.4
Total DOE Operating Expenses	6,398.2	32.5	6,430.7
Total DOE Plant Construction Expenses	1,129.0	5.0	1,134.0
Total DOE Capital Equipment	522.8	4.0	526.8
(Undistributed SDI-Rel Act Rdctns)	(480.6)	-100.6	(380.0)
(Undistributed Naval Rctrs Dev)	(612.0)	-10.0	(602.0)
(Undistributed Rdctns)		-156.5	(-156.5)
TOTAL, DOE DEFENSE ACTIVITIES	8,050.0	-225.6	7,824.4

TITLE II—NATIONAL DEFENSE STOCKPILE

The United States maintains a National Defense Stockpile because we cannot produce certain strategic and critical materials (e.g., chromium, cobalt, titanium, etc.) to meet our military and industrial needs during periods of national emergency. Current law requires that the stockpile inventories of critical and strategic materials be sufficient to cover U.S. needs for not less than three years of a national emergency.

The inventory goals for materials held in the stockpile are established by the Executive Branch through an interagency review process. These goals are reported to Congress semi-annually. Current law provides that the quantity of a specific material to be stockpiled may not be revised unless the Committees on Armed Services of the House and Senate are notified in writing of the proposed revision at least 30 days before the effective date of such revision.

In June, 1985, the President announced the results of a two-year comprehensive study of stockpile inventory goals by the National Security Council (NSC). This study concluded that stockpile inventory goals were significantly overstated.

GAO reviewed the study and recently concluded that "the NSC study does not appear to provide a sufficient basis for setting stockpile goals or for other U.S. mobilization planning." GAO also found that certain Executive agency participants in the study questioned some of the key assumptions such as the reliability of foreign sources of materials and the planned size of our military forces in a conflict. GAO concluded that "participants' input was not fairly represented in the report."

Out of concern for the potential impact of this study, Congress included a provision in the fiscal year 1986 Defense Authorization Act mandating by law that the stockpile inventory goals during fiscal year 1986 would be those goals in effect on September 30, 1984, i.e., before the release of the NSC study. This provision was extended through the end of fiscal year 1987 in the fiscal year 1987 Defense Authorization Act.

As a result of this provision, the Executive Branch cannot exercise their authority to unilaterally revise stockpile inventory goals with nothing more than 30 days notice to Congress. However, the limitation in this provision expires on October 1, 1987.

The committee believes that the current notification procedures for changes to the stockpile do not give Congress adequate time to review the possible impact of any significant changes to the inventory goals that might be proposed by the Executive Branch.

Accordingly, the committee recommends a provision (sec. 3201) which provides that any changes in the current inventory goals of the National Defense Stockpile (i.e. those inventory goals in effect on October 1, 1984) may be made only if the changes are first outlined in the Annual Materials Plan for that fiscal year. Any change in stockpile goals proposing a reduction greater than ten percent in any fiscal year of the quantity of the inventory goal of an item in the stockpile, or elimination of any item from the inventory goals of the stockpile, may be made only after approval by the Congress through legislation. In addition, the committee recommends a provision (sec. 3202) which requires submission of the Annual Materials Plan to Congress no later than February 15 of each year.

TITLE III—CIVIL DEFENSE

The committee recommends authorization of $134.8 million of the administration's amended request of $154.8 million for civil defense.

The committee intends to review the Federal Civil Defense Act of 1950, as amended, with a view towards updating the act to make it more consistent with the dual-use aspects of civil defense. The study will address such issues as: whether the focus should be switched from primacy on attack-related preparedness to that of dual-use; what effect such a shift in policy direction might have on the source of funding from the federal government; and how to create a more productive federal-state cooperative endeavor in meeting the goals set forth in the act.

DEPARTMENTAL RECOMMENDATIONS

By letter dated February 27, 1987, the General Counsel of the Department of Defense forwarded to the President of the Senate proposed legislation "To authorize appropriations for fiscal years 1988 and 1989 for military functions of the Department of Defense and to prescribe military personnel strengths for such Department for fiscal years 1988 and 1989, and for other purposes." The transmittal letter and proposed legislation were referred as Executive Communication 712 to the Committee on Armed Services on March 13, 1987. Senators Nunn and Warner introduced this legislative proposal as S. 864, by request, on March 27, 1987. The statement made by Senator Nunn upon introduction of S. 864, together with the text of the legislation and the letter of transmittal of the Department of Defense, appear in the *Congressional Record* of March 27, 1987 on pages S4084–4087.

By letter dated January 15, 1987, the General Counsel of the Department of Defense forwarded to the President of the Senate proposed legislation "To authorize certain construction at military installations for fiscal years 1988 and 1989, and for other purposes." The transmittal letter and proposed legislation were referred as Executive Communication 369 to the Committee on Armed Services on January 20, 1987. Senators Nunn and Warner introduced this legislative proposal as S. 866, by request, on March 27, 1987. The statement made by Senator Nunn upon introduction of S. 866 and the letter of transmittal of the Department of Defense appear in the *Congressional Record* of March 27, 1987 on pages S4087–4088.

By letter dated March 6, 1987, the General Counsel of the Federal Emergency Management Agency forwarded to the President of the Senate proposed legislation "To authorize appropriations for civil defense programs for fiscal years 1988 and 1989, and for other purposes." The transmittal letter and proposed legislation were referred as Executive Communication 827 to the Committee on Armed Services on March 20, 1987. Senators Nunn and Warner introduced this legislative proposal as S. 865, by request, on March 27, 1987. The statement made by Senator Nunn upon introduction of S. 865 and the letter of transmittal of the Federal Emergency Management Agency appear in the *Congressional Record* of March 27, 1987 on page S4087. However, by letter dated March 25, 1987, the General Counsel of the Federal Emergency Management Agency forwarded to the President of the Senate a revision of this proposed legislation. The transmittal letter and proposed revised legislation were referred as Executive Communication 866 to the Committee on Armed Services on March 30, 1987. The letter of transmittal and the text of the proposed revised legislation follow.

AS

Federal Emergency Management Agency
Washington, D.C. 20472

EC0866

MAR 25 1987

The Honorable George Bush
President of the Senate
Washington, DC 20510

Dear Mr. President:

Enclosed is revised draft legislation "To authorize appropriations for civil defense programs for fiscal years 1988 and 1989."

We request that this proposal be considered in lieu of authorization bill that we transmitted to Congress on March 6, 1987. The authorization level in the enclosed draft reflects the President's 1988 budget amendment for civil defense as transmitted to Congress on March 20, 1987.

In accordance with section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260), the bill authorizes appropriations of $154,806,000 for each of fiscal years 1988 and 1989.

The Office of Management and Budget advises that there is no objection to the submission of this proposal for consideration of the Congress and that its enactment would be in accord with the President's program.

Sincerely,

Spence W. Perry
General Counsel

Enclosure

OFFICIAL COMMUNICATION
RECEIVED IN THE OFFICE OF
THE PRESIDENT OF THE SENATE
DATE RECEIVED 26 MAR 1987
TIME RECEIVED
DATE DELIVERED

A BILL

To authorize appropriations for civil defense programs for fiscal years 1988 and 1989.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated for the fiscal year ending September 30, 1988, to carry out the provisions of the Federal Civil Defense Act of 1950, the sum of $154,806,000 and for the fiscal year ending September 30, 1989, $154,806,000.

COMMITTEE ACTION

In accordance with the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, there is set forth below the committee vote to report the National Defense Authorization Act for Fiscal Years 1988 and 1989.

In favor: Senators Nunn, Stennis, Exon, Levin, Kennedy, Bingaman, Dixon, Glenn, Gore, Wirth, Shelby, and Cohen.

Opposed: Senators Warner, Thurmond, Humphrey, Quayle, Wilson, Gramm, Symms, and McCain.

Vote: 12–8.

The other roll call votes on amendments to the bill which were considered during the course of the markup have been made public and are available at the committee.

FISCAL DATA

Section 252 of the Legislative Reorganization Act of 1970 (Public Law 91–510) requires that the report accompanying each bill reported by a Senate committee contain certain information on five-year cost projections.

The letter received in compliance with this statutory requirement is shown below. The bill is an annual authorization and does not, within its own terms, generate costs beyond fiscal years 1988 and 1989, even though the funds authorized to be obligated by this act may not be expended for several years in the future. The fiscal year authorizations herein provided are reviewed annually by the committee and the Congress.

100-1-61 [illegible]

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

COMPTROLLER

1987 MAR 24 [illegible]

MAR 18 1987

Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with Section 252 of the Legislative Reorganization Act of 1970 (P.L. 91-510), the enclosed schedules provide estimates of how the authorizations for FY 1988 and FY 1989 now requested in the President's budget for FY 1988/FY 1989 will be expended.

The uncertainty of future year Defense programs precludes precise projections, but the enclosed schedules provide my estimate of the range of authorizations required during each of the next three years to support the forces contained in the President's budget for FY 1988/FY 1989.

Sincerely,

John R. Quetsch

John R. Quetsch
Acting Assistant Secretary of Defense
(Comptroller)

Enclosures

Estimated Expenditures
($ in Millions)

FY 1988 Authorization Request:	$214,928
FY 1988	$101,401
FY 1989	61,640
FY 1990	29,227
FY 1991	12,790
FY 1992	5,520
Beyond	4,350
FY 1989 Authorization Request:	$229,972
FY 1989	$108,782
FY 1990	65,182
FY 1991	31,242
FY 1992	13,142
FY 1993	7,074
Beyond	4,550

I estimate that to support the forces in the Annual Defense Report in the FY 1988/1989 Biennial Budget, authorizations in the range of $243-274 billion for FY 1990-1992 would be required.

CBO COST ESTIMATE

U.S. Congress,
Congressional Budget Office,
Washington, DC, May 7, 1987.

Hon. Sam Nunn,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the attached cost estimate on the National Defense Authorization Act for Fiscal Years 1988 and 1989, as ordered reported by the Senate Committee on Armed Services, on May 5, 1987.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

With best wishes,

Sincerely,

Edward M. Gramlich,
Acting Director.

Congressional Budget Office—Cost Estimate

1. Bill number: Unassigned.

2. Bill title: National Defense Authorization Act for Fiscal Years 1988 and 1989.

3. Bill status: As ordered reported by the Senate Committee on Armed Services on May 5, 1987.

4. Bill purpose: This bill authorizes appropriations for the Armed Forces during fiscal year 1988 for:

The procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons;
Research, development, test, and evaluation (RDT&E);
Operation and maintenance (O&M);
Military Construction;
Atomic Energy Defense Activities;
Civil defense; and
Military personnel and compensation matters.

This bill prescribes authorized personnel strengths for each active duty component, for the Selected Reserve of each Reserve component, and for military training student loads.

The bill includes additional provisions which do not have a significant cost impact.

5. Estimated cost to the Federal Government: This bill would entail costs to the federal government in fiscal years 1988–1992, as shown in the following table.

TABLE 1.—ESTIMATED COSTS OF THE NATIONAL DEFENSE AUTHORIZATION ACT, 1988, AS REPORTED BY THE SENATE ARMED SERVICES COMMITTEE

[By fiscal year, in millions of dollars]

Category	1988	1989	1990	1991	1992
Function 050:					
Direct authorizations:					
Authorization level	224,452	166,074	0	0	0
Estimated outlays	104,296	150,097	73,460	30,164	13,019
Estimated authorizations:					
Estimated authorization level	78,495	81,797	0	0	0
Estimated outlays	73,112	81,624	5,556	0	0
Subtotal—Function 050:					
Estimated authorization level	302,947	247,871	0	0	0
Estimated outlays	177,407	231,721	79,016	30,614	13,019
Other Functions:					
Estimated authorization level	−3,581	−4,354	−224	0	0
Estimated outlays	−25,950	−27,501	−379	0	0
Bill Total:					
Estimated authorization level	299,366	243,517	−224	0	0
Estimated outlays	151,457	204,220	78,637	30,614	13,019

Totals may not add due to rounding.

Basis for estimates

All estimates assume that funds will be appropriated for the full amount of the authorization and will be available for obligation by the first day of the relevant fiscal year unless otherwise specified. Outlays are estimated based on historical outlay rates for the relevant accounts.

The bill states authorizations for appropriations for several accounts totalling $224.5 billion for 1988 and $166.1 billion for 1989. (Such authorizations occur annually). The bill also extends and provides authorization for military construction projects included in previous authorization and appropriation bills. All such projects have been funded in appropriation acts, but have not been completed because authorizations either expire at the end of 1987 or have not been provided at all. Upon enactment of this bill, the Defense Department could execute the projects; thus, outlays could occur in 1987, but CBO assumes enactment late enough in 1987 that outlays will occur starting in 1988. Table 2 shows the costs for each directly authorized account.

In addition, the bill contains several provisions that affect several budget functions and that require CBO to estimate cost impacts for 1988 and the outyears. Table 3 shows the costs of such provisions affecting function 050. Table 4 presents the costs affecting functions other than function 050.

The bill authorizes endstrengths for active duty and reserve military personnel. The estimated costs (presented in Table 3) of authorized military personnel levels are based on average pay rates and allowances including an amount for retired pay accrual.

In addition to specifying personnel levels, the bill also authorizes certain changes in military compensation. Section 601 authorizes a pay raise for military personnel of 4 percent effective January 1, 1988. A raise of this amount would increase the military personnel authorization by $2 billion in 1988. Though this bill is silent on a military pay raise for 1989, this estimate assumes that current laws governing federal pay raises would apply. Specifically, the estimate assumes that pay raises for military and civilian employees would be 3 percent effective January 1, 1989 consistent with the Senate-passed budget resolution. Military pay raises would cost $4.2 billion in 1989.

The bill would permit a higher authorization for some accounts in the event of unbudgeted costs such as civilian pay raises. This estimate adopts the budget resolution assumption of 3 percent effective January 1 for 1988 and 1989 because civilian salaries are not governed by this bill. The civilian pay raise would cost $0.6 billion in 1988 and $1.6 billion in 1989.

Public Law 99-661 requires that officer strengths be reduced by 1 percent in 1987, 2 percent in 1988, and 3 percent in 1989. The President's request assumes these reductions will not take effect and the House Armed Services Committee's authorization bill, H.R. 1748, delays by one year the reductions for 1988 and 1989. Because this bill does not change current law, this cost estimate assumes that the reductions take place as required by law and save the amounts shown in Table 3—$266 million in 1988 and $525 million in 1989.

Section 635 reduces the amounts authorized for the Selective Reenlistment Bonus (SRB) by $180 million in 1988 and by $135 million in 1989, by restricting lump sum payments to 50 percent of the bonus. Without this provision the lump sum payments would be 75 percent.

TABLE 2.—DIRECT AUTHORIZATIONS IN THE NATIONAL DEFENSE AUTHORIZATION ACT, 1988, AS REPORTED BY THE SENATE ARMED SERVICES COMMITTEE

[By fiscal year, in millions of dollars]

Category	1988	1989	1990	1991	1992
Procurement:					
Authorization level	81,260	55,029	0	0	0
Estimated outlays	11,346	34,901	40,036	24,895	11,823
RDT&E:					
Authorization level	40,796	17,897	0	0	0
Estimated outlays	20,795	23,695	9,023	2,170	425
O&M:					
Authorization level	84,386	86,911	0	0	0
Estimated outlays	63,630	83,437	19,919	1,601	42
Military construction:					
Authorization level	8,970	5,106	0	0	0
Estimated outlays	2,449	4,928	3,457	1,709	714
Stock funds:					
Authorization level	1,081	1,132	0	0	0
Estimated outlays	822	1,055	269	68	0
Atomic energy defense activities:					
Authorization level	7,824	0	0	0	0
Estimated outlays	5,086	1,925	681	130	0
Civil defense:					
Authorization level	135	0	0	0	0
Estimated outlays	109	26	0	0	0
Prior year authorizations:					
Authorization level	0	0	0	0	0
Estimated outlays	59	131	76	42	15
Total function 050:					
Authorization level	224,452	166,074	0	0	0
Estimated outlays	104,296	150,097	73,460	30,614	13,019

TABLE 3.—FUNCTION 050 AUTHORIZATIONS IN THE NATIONAL DEFENSE AUTHORIZATION ACT, 1988, AS REPORTED BY THE SENATE ARMED SERVICES COMMITTEE

[By fiscal year, in millions of dollars]

Category	1988	1989	1990	1991	1992
End-strengths:					
Estimated authorization level	76,263	76,573	0	0	0
Estimated outlays	71,001	76,552	5,284	0	0
Pay raise for military personnel:					
Estimated authorization level	1,977	4,157	0	0	0
Estimated outlays	1,841	4,007	287	0	0
Potential civilian pay raise:					
Estimated authorization level	616	1,647	0	0	0
Estimated outlays	606	1,631	26	0	0
Reduction in officer strength:					
Estimated authorization level	−266	−525	0	0	0
Estimated outlays	−248	−507	−36	0	0
SRB lump sum payment:					
Estimated authorization level	−180	−135	0	0	0
Estimated outlays	−168	−138	−9	0	0
Submarine pay:					
Estimated authorization level	28	29	0	0	0
Estimated outlays	26	29	2	0	0
Medical Stipend Program:					
Estimated authorization level	20	21	0	0	0
Estimated outlays	19	21	1	0	0
Household goods allowance:					
Estimated authorization level	16	16	0	0	0
Estimated outlays	15	16	1	0	0
Other 050:					
Estimated authorization level	21	14	0	0	0
Estimated outlays	20	14	1	0	0
Function 050 total:					
Estimated authorization level	78,495	81,797	0	0	0
Estimated outlays	73,112	81,624	5,556	0	0

TABLE 4.—ESTIMATED AUTHORIZATIONS FOR FUNCTIONS OTHER THAN 050 IN THE NATIONAL DEFENSE AUTHORIZATION ACT, 1988, AS REPORTED BY THE SENATE ARMED SERVICES COMMITTEE

[By fiscal year, in millions of dollars]

Category	1988	1989	1990	1991	1992
Function 400:					
Estimated authorization level	46	52	0	0	0
Estimated outlays	45	52	2	0	0
Function 600:					
Estimated authorization level	22,368	23,147	157	0	0
Estimated outlays	0	0	0	0	0
Function 950:					
Estimated authorization level	−25,995	−27,533	−381	0	0
Estimated outlays	−25,995	−27,533	−381	0	0
Total—functions other than 050:					
Estimated authorization level	−3,581	−4,354	−224	0	0
Estimated outlays	−25,950	−27,501	−379	0	0

Section 632 would increase submarine pay by 35 percent for certain officers and enlisted personnel. Table 3 shows the associated cost of this increase—about $30 million each year.

Section 701 authorizes the payment of stipends to students and residents planning to be reserve officers in critical medical specialties. The estimated cost of these stipends is $20 million in 1988 and $21 million in 1989.

Section 604 would increase payments for shipping household goods when senior enlisted personnel are ordered to make permanent change of station moves. These payments would increase costs by about $16 million each year.

The bill has several other provisions which increase costs by $21 million in 1988, and $14 million in 1989. Section 633 increases career sea pay (CSP) by $10 million in 1988. This is due to increases in CSP for certain senior enlisted personnel and warrant officers. Section 602 would pay married couples above the grade of E-3 housing allowances when both spouses are assigned to sea duty simultaneously. This increases costs by $4 million in both 1988 and 1989. Section 622 would save about $4 million in 1988 and $5 million in 1989 by providing members and their families transportation home and back to an overseas duty station, provided that members agree to increase their overseas tours by at least one-half of the required tour length. The savings would be due to fewer permanent moves. Other provisions allow increased allowances for civilian clothing, increases in aviation officer continuation pay, variable housing allowances for certain members on sea duty, diving duty pay for reserve members, and reimbursement of certain expenses for child adoption by members.

Functions other than 050 are affected by provisions in this bill. The bill authorizes an end strength of 13,500 in 1988 and 15,300 in 1989 for the Coast Guard Reserve; the associated costs fall under budget function 400 (See Table 4).

Function 600—income security—records the accrual amounts for the military retirement trust fund and various amounts associated with civil service retirement. The military endstrengths authorized in this bill have an annual retirement accrual cost of about $19 billion. The employee and employer contributions to civil service retirement add about $4 billion to function 600 each year.

Finally, function 950—undistributed offsetting receipts—records offsets to the accrual payments from function 050 associated with military retirement and employer contributions to social security. Function 950 also shows the receipts from civil service retirement contributions associated with DoD's civilian employees for whom funding in authorized is this bill.

6. Estimated cost to State and local governments: None.

7. Estimated comparison: None.

8. Previous cost estimate: None.

9. Estimate prepared by: Eugene Bryton and Alex G. Manganaris.

10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

REGULATORY IMPACT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that a report on the regulatory impact of a bill be included in the report on the bill. The committee finds that there is no regulatory impact in the case of the National Defense Authorization Act for Fiscal Years 1988 and 1989.

CHANGES IN EXISTING LAW

Pursuant to the provisions of paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by certain portions of the bill have not been shown in this section of the report because, in the opinion of the committee, it is necessary to dispense with showing such changes in order to expedite the business and reduce the expenditure of funds of the Senate.

ADDITIONAL VIEWS OF MR. EXON

I am generally pleased with the committee's defense recommendations for fiscal years 1988 and 1989. The Senate and our Nation owes much to Senators Nunn and Warner, our chairman and ranking member, for their direction and guidance in reaching these recommendations. Our hearings were carefully planned and focused on key questions that have in the past been frequently glossed over as we immersed ourselves in the funding details of our many defense programs. As a result, the committee was able to better able to highlight shortfalls. We were better able to apply our limited defense resources to the highest priorities instead of simply trying to fund all programs across the board as we have done for the past several years.

Clearly, the large defense buildup is over. Yet after 2 years of real decline in defense spending, we must hold what we have gained or we will return back to the days of the 1970's when our military was not as prepared and capable as our security required. The necessary increase in defense spending in the early 1980's was painful but we will have to go through it all again in the years ahead unless we can achieve a steady and predictable level of defense spending. The initial recommendation of the Budget Committee failed to provide this stability and I worked to increase the defense function to reach zero real growth, or steady funding with inflation covered.

Most of the members of the committee favored a slowdown in our nuclear deterrent modernization efforts in order to increase spending on our conventional forces. Given the conventional imbalance that NATO faces, I agree with this view. However, as the Chairman of the Subcommittee on Strategic Forces and Nuclear Deterrence, I would like to remind my colleagues of two things. First, nuclear forces will remain the bedrock of our Nation's security for many years to come. Our highest security objective is the physical protection of our Nation. The only real military challenge to this comes from the Soviet strategic nuclear forces. This challenge must continue to be met. Second, shifting to greater reliance on a conventional deterrent will be expensive, perhaps more costly than simply moving funds from strategic accounts to conventional ones. That is because conventional forces are more expensive than nuclear ones and also because of the size of the conventional imbalance.

Nonetheless, a careful review of our nuclear deterrent modernization programs yielded substantial savings. At my urging the Strategic Subcommittee and, eventually, the full committee adopted my proposed funding package for SDI, Rail Garrison MX, and the Midgetman.

The modernization of our ICBMs remains as controversial as ever. However, for the first time, it appears that a survivable and affordable program in the shape of the Rail Garrison MX missile is feasible. The missile itself is developed and in production. A rail or truck based MX should be fairly easy to achieve. The same cannot be said of the Midgetman. It is estimated that this program will eventually cost $50 billion for 500 warheads.

This does not seem to be a fair return for such a substantial investment. Advocates of the Midgetman argue that it is needed to ensure survivability with only tactical warning. Yet all hearings of the Strategic Subcommittee reveal that the "bolt out of the blue" attack scenario which would yield only tactical warning was highly unlikely. All witnesses believed that strategic warning of hours and possibly days would allow us to increase the readiness and survivability of our existing forces. Even if we have only tactical warning of an attack, our Triad of ICBMs, bombers, and submarine launched missiles is designed to provide us an adequate deterrent. While I understand the arms control arguments associated with the Midgetman, I believe thay are far outweighted by the high costs of this program. Less expensive alternatives to the Midgetman exist in the form of the Trident missile sub and the Rail Garrison MX.

Unfortunately, the political sentiment for the Midgetman makes some funding inevitable. Ironically, many of the Midgetman's most ardent advocates also want to reduce the overall defense budget. That is inconsistent logic.

The committee has done better than ever in matching our resources with real defense needs. Some production rates were increases to provide more economic buys; yet only one significant program, the A-6F, was killed. We need to make more of these tough decisions if we are to have an effective and affordable defense in the future.

J. JAMES EXON.

ADDITIONAL VIEWS OF MR. LEVIN

I am limiting my additional views on this year's bill to the question of proper American defense priorities, and related Committee actions.

The Armed Services Committee made a sincere effort to rearrange some of the Administration's defense priorities in the FY 1988 and 1989 Authorization Bill. We made some real progress, but not enough. We took some steps in the right direction, but they were relatively modest ones.

I want to take this opportunity to briefly outline those Committee actions I believe to be particularly positive, those small steps forward. Then I want to explain in more detail where I think the Committee failed to make the tough decisions our security requires.

POSITIVE STEPS

The Administration's defense request for FY 1988 fully funded strategic force modernization by cutting planned conventional force modernization and improvements. The most egregious example of this maldistribution of resources is the Administration's proposal to terminate prematurely the modernization of the United States Army, the military service most in need of modernization.

The President's budget would have left our Army with only a fraction of the modernization needed to enhance significantly our conventional military capability. It also would have created wide gaps between the end of production of current Army weapon systems and the beginning of production of more advanced follow-on systems. The chart below illustrates both effects of the President's budget:

	Last year planned	Percent of force modernized	Follow-on scheduled
AH-64 helicopter	1988	49	1995
UH-60 helicopter	1991	36	1996
MLRS rocket launcher	1993	49	None
M-1 tank	1992	71	1996
M-2 Bradley IFV	1991	60	1996

The Committee rejected that approach, restored funds cut from Army conventional modernization programs, and set Army modernization goals that are consistent with our conventional needs and which the Committee intends to see met.

This is the single most positive step the Committee took relative to rearranging our defense spending priorities so as to make them more consistent with our real military needs. It demonstrated the Committee's recognition of the fact that our largest disparity vis-a-vis the Soviet Union is the relative strength of our respective ground forces.

Unfortunately, the Committee did not follow this conclusion through to its logical conclusion: the direct transfer of funds from strategic programs to conventional programs.

NEGATIVE STEPS

In my view we are at a crossroads in national security policy. Fiscal constraints of Federal spending will be severe as far into the future as the politically educated eye can see. Just as those constraints force direct competition between domestic and defense spending within the Federal budget as a whole, they will force direct competition between strategic forces and conventional forces within the defense budget.

The fact is, there is simply not enough money available to fund an across the board modernization of both our strategic forces and our conventional forces. Priorities must be established. Choices must be made.

Those priorities and choices should be based on a sober analysis of our total defense posture vis-a-vis the threats we face. If they are not, we will spend vast amounts of the national treasure obtaining military capabilities that do not relate to our real military requirements in any coherent fashion.

If we do not begin to emphasize the improvement of our conventional military capability over the addition of ever more nuclear weapons to our already redundant strategic arsenal, we will find ourselves with forces of tremendous destructive capacity, but little military utility.

I believe we must begin to play Robin Hood within the defense budget. We must take from the rich and give to the poor, take from the nuclear and give to the conventional.

Given the manifest redundancy in a number of areas of our strategic nuclear forces and the relative insufficency of our conventional forces, I do not believe the Committee acted in this fashion. We made progress, but when it came time to make truly tough decisions regarding our spending priorities, we failed the American people.

I offered three amendments in Committee which would have transferred money directly from certain big ticket strategic programs to carefully identified conventional needs.

The first amendment proposed to cut $500 million of the $700 million in the Committee bill for the Midgetman missile, and instead spend that money on:

11 Apache (AH-64) Helicopters ($107.3 million);
10 Blackhawk (UH-60) Helicopters ($60 million);
600 Sparrow air-to-air missiles (78.2 million);
Army Depot Maintenance ($100 million); and
Miscellaneous Army ammunition ($137 million).

These conventional alternatives would have restored the Apache and Blackhawk helicopters to their FY 1987 production rates, prevented large increases in Army maintenance backlogs, and provided the Army with badly needed training and war reserve ammunition.

The second amendment proposed to cut $500 million of the $4.5 billion in the Committee bill for the SDI program, and instead spend that money on the same conventional weapons and needs package listed above.

The third amendment proposed to cut $200 million of the $400 million in the Committee bill for research on the rail garrison basing mode for the MX missile, and instead spend that money on 500 Maverick air-to-ground missiles ($85 million), 312 HARM air defense suppression missiles ($79.3 million, and Low Level Laser Guided Bomb modification kits ($34 million). These three systems are vitally needed advanced munitions currently in short supply.

The Committee rejected all three of these amendments, and thus decided to fund Midgetman at $700 million, SDI at $4.5 billion, and $400 million for research on MX rail garrison basing.

Obviously, I believe all three of these programs were overfunded by the Committee. I do not believe that we need either the MX or the Midgetman in order to maintain a nuclear deterrent of incredible power and unquestioned effectiveness. I do not believe that $4.5 billion for SDI is warranted by progress in the program, nor reasonable given other higher defense priorities in a tight budget environment.

I would like to present one example of the opportunity cost measured in terms of conventional weaponry of just one of the strategic systems funded by the Committee: the Midgetman.

The estimated cost of designing, deploying, and operating 500 Midgetman missiles for 15 years is between $40 and $50 billion. Assume $40 billion for simplicity's sake.

For $40 billion we get 500 strategic nuclear warheads, most of which are estimated to be survivable.

Assume we need 500 more survivable strategic ballastic missile warheads in order to maintain a robust deterrent to Soviet attack (an assumption to which I do not subscribe, as noted previously).

The United States could build and operate six fully armed Trident submarines for 30 years at a cost of roughly $24 billion. Assume that 3 of the 6 Tridents are at sea at any one time, a conservative estimate based on current Trident operating tempo. Three Trident boats are thus survivable on a day to day basis.

Those three submarines would carry an estimated 572 warheads, 72 more than is proposed for Midgetman. Thus, by buying Trident instead of Midgetman we get slightly more survivable warheads for $16 billion less.

What could we purchase in terms of conventional hardware for that $16 billion in savings? Here is a sample list:

	Billion
600 Apache helicopters	$6.6
2,000 Bradley IFVs	2.2
2,000 M-1 tanks	5.0
200,000 TOW II anti-tank missiles	2.8
	16.6

I believe that six Trident subs and all that state of the art conventional equipment would contribute more to deterrence than 500 Midgetman missiles. In fact, given the current military balance at the strategic and conventional levels, I believe the conventional systems alone would contribute more to deterrence than 500 Midgetman missiles, and at a savings of $24 billion. Those conventional systems would not only contribute more to deterrence; they would also contribute more to an effective defense of our interests in the event of war.

The Committee failed to adequately address the Administration's dangerously skewed defense priorities in this bill. However, we will have many chances in the future to do the right thing. The Administration's defense budget plans for Fiscal Years 1987 to 1990 would increase spending on strategic forces by 37%, while conventional forces would be limited to a 3% increase.

But I do know this: if we respond to the challenge the way we did this year, we will continue to make nuclear war more likely by shortchanging precisely those forces that are deficient in order to pay for more of those forces we have in abundance. I hope we do otherwise.

CARL LEVIN.

ADDITIONAL VIEWS OF MR. DIXON

We recently passed the one year anniversary of the tragic accident at the Chernobyl Nuclear Power Station. It is with that in mind that I must express my concerns about safety at the Hanford Reactor. It is the concern for safety that causes me to support the closing of the Hanford Reactor, known as the N Reactor.

The N Reactor is a pressurized water reactor with a graphite moderator. It went into service in 1963 primarily for production of nuclear weapons material. It also provides steam as a by-product for use by Washington Public Power Supply System to generate electricity.

Like the reactor at Chernobyl, the Hanford Reactor is not enclosed in a steel or reinforced concrete containment building as required for licensing by the Nuclear Regulatory Commission (NRC). All 102 operating commercial nuclear power plants in the United States have containment buildings. Instead, the reactor is regulated by safety standards established by the Department of Energy (DOE).

The Department of Energy's standards call for limiting of the release of redioactive materials, known as confinement. The confinement system is designed to release airborne material to the environment either directly if pressures are very high or through filters when pressures are lower. Confinement is permitted by DOE in the N Reactor because they believe that high pressures occur only in the early stages of an accident, before any fuel could melt and before significant amounts of radioactive material could be released. Experts disagree on this issue.

As early as 1966, the Advisory Committee on Reactor Safeguards (ACRS) noted that hazards of the N Reactor exceeded that of licensed reactors. Based on letters written in 1965, the ACRS Committee "believe[d] that the potential hazards associated with the Hanford reactors exceed those of licensed reaction . . . the Committee continues to believe that continued operation of the N Reactor without further safeguards can only be justified by production requirements." The ACRS never made the usual determination that the Hanford reactor could be operated "without undue threat to public health and safety." Rather, according to Louis Roddis, a DOE consultant, the ACRS determined that operations were "acceptable" because the N Reactor did not "increase the reactor hazards already there." This references older production reactors which have since been shut down.

As a result of the Chernobyl accident, the Department of Energy asked six consultants to review the N Reactor for comparisons to Chernobyl and potential hazards. According to one of the consultants, Thomas Pigford, "an overriding observation from the Chernobyl accident is that the design-basis accident is not necessarily the worst accident that can happen. Serious and unexpected accidents can happen involving design and operator errors."

E.P. Wilkinson, another DOE consultant, notes that the N Reactor "has not always been kept up to date on safety related design changes or maintained in an excellent material condition." As did all the consultants, Wilkenson cited a need for improvements at Hanford in operations, maintenance, training, and design modification. The N Reactor has exceeded its "nominal 20 year life" and concerns exist regarding graphite growth, hydrogen explosion, tube embrittlement, containment failure, lack of remote operations, management and long term components.

Each of the consultants raised questions about the Hanford Reactor's ability to withstand an internal hydrogen explosion. They recommended that the Department of Energy determine what N Reactor safety standards and risks are justified by its operation. The risk of consequences to the public from a major accident must be assumed to be higher than commercial power reactor because of uncertainties in control of hydrogen and the effectiveness of confinement system under accident conditions. Chernobyl and Three Mile Island point to a common concern: If an accident happens, it is likely to come from an unanticipated source and involve high pressure or explosion.

Faced with the potential for tragedy that resides in the continuation of the Hanford reactor, some still argue that in the 23 years of its existence there has never been an accident. A Technical Safety Appraisal in July of 1986 resulted in 51 safety recommendations and a September 1986 Design Review cited 52 recommendations for improvements. Even H.W. Lewis, a member of the ACRS stated that he was "disinclined to license a commercial uncontained reactor" like the Hanford Reactor.

I appreciate that the shutting down of the Hanford Reactor could have a negative impact on the supply of plutonium for U.S. nuclear weapons production. There is no one as concerned as I am about maintaining our national defense. The issue, however, is at what cost do we maintain our national defense? We cannot look the other way knowing the potential of public hazard that exists at the Hanford Nuclear Plant.

It is a folly to say that because the N Reactor has never had a meltdown, it is safe. There were 24 successful shuttle missions before the fatal Challenger accident. Until the bridge collapsed last month, thousands safely traveled the Governor Thomas E. Dewey Thruway through New York State.

I am not alone in my doubts and my uncertainties about the safety of the Hanford Reactor. I share these fears with experts in the field. National Security has been used as a cloak to keep the N Reactor at Hanford operational. However, it is the concern for the security of our Nation and our people that causes me to vote to withdraw funding and shut down the Hanford Reactor.

ALAN J. DIXON.

ADDITIONAL VIEWS OF MR. WIRTH

The Senate Armed Services Committee has crafted a sound defense authorization bill for fiscal year 1988, a blueprint which assures a prepared American defense today and tomorrow.

Across the board, the committee has strengthened our conventional forces. We have carefully adjusted the Pentagon's budget to accelerate force modernization, especially in the Army.

On land, for example, funds have been added to existing production lines for urgently needed tracked vehicles, helicopters, and artillery, such as the multiple launch rocket system (MLRS). At sea, the committee has beefed up our critical anti-submarine warfare capabilities—with new TAGOS surveillance ships, sonobuoys, deep-water mines, and numerous other effective ASW measures. And in the air, the committee wisely chose to increase—and make more efficient—the production of F-15 fighters and AIM-7 missiles.

The committee has also done an outstanding job of reorganizing the operations and maintenance accounts to mitigate the Pentagon's proposed cuts in readiness-related areas, such as spare parts, conventional ammunition, and depot maintenance—all essential accounts, according to the parade of CINCs who testified before the full committee and the Readiness Subcommittee.

Last but certainly not least, the committee recognized the central importance of recruitment and retention of skilled manpower to our defense preparedness. I believe that recognition is best reflected in our decision to maintain the military pay raise at four percent and, in a separate but related move, the committee's sequential approval of S. 12, legislation to make permanent the new GI Bill. Education benefits and competitive pay are among the best incentives to attract America's bright, capable young people into the U.S. armed forces.

All of these actions will contribute to a strong conventional defense—in the immediate future. The committee also made crucial long-term investments to bolster our long-term defense needs.

First, we committed the nation to replacing aging weapon platforms with new, technologically advanced systems—for example, terminating the A-6 attack aircraft in favor of the new Advanced Tactical Aircraft.

Second, and perhaps more important, we supported a substantial increase in spending on basic and exploratory defense research and development—the foundation for the development of future weapon systems, components, and materials.

That increase comes none too soon. In hearing after hearing before the Defense Industry and Technology Subcommittee, we have learned of the steady erosion of our defense technology and industrial bases.

In my view, the debate over this proposed funding increase for defense technology and industrial base research is straightforward:

are we willing to make the investments today that will pay off in the better materials and weaponry our troops will need in tomorrow's battlefield?

I think the defense technology top-line in this bill indicates that we are willing to make those investments. We are willing to invest additional funds in the Balanced Technology Initiative, the University Research Initiative and improved defense manufacturing technologies. We are willing, in short, to invest in a strong national defense—now and in the future.

There is no doubt the bill before us is basically well-done. But it is not without flaws, and I believe it is important to address several key weaknesses which should be remedied by the Senate.

First, funding for the Strategic Defense Initiative is simply too high. At a time when we are freezing the defense budget, there is no justification for ratcheting up a single program by nearly 30 percent. Moreover, I am concerned that we are pouring too many of our research dollars into SDI at the expense of our conventional and basic research programs. As the chairman of this committee has often noted, our ability to kill Soviet tanks may be more important to our national security than killing Soviet warheads. We should keep that in mind when we consider the SDI budget on the Senate floor.

Second, although the committee did reduce the Administration's request for research and development funding for the MX rail garrison basing mode, I don't believe it reduced it sufficiently. Deploying additional MX missiles—the implication of this research request—would scuttle the overwhelming Congressional mandate for a cap of MX deployment at 50 missiles, a mandate the Administration indicated it would respect. We should terminate this funding immediately and concentrate on other, more stabilizing means of assuring an effective deterrent and advancing mutual and verifiable arms control.

Finally, I am concerned about the committee's decision to make a "down payment" on two new aircraft carriers. A number of strong arguments were made for the purchase of the new carriers. But none of them overshadowed the stark reality of a tight defense budget.

During our budget deliberations, it became clear that the Navy had scrubbed critical naval aviation and ASW programs just to pay the relatively small start-up costs for the carriers. Imagine our situation over the next five years as the carriers' costs ramp up and defense budgets remain flat. Certainly we need adequate force projection capabilities overseas. But what good are new and costly force projection platforms, if we can't afford the manpower, munitions, and aircraft to effectively utilize those platforms? I hope the Senate will re-evaluate the committee's decision in this regard.

While the concerns I have listed are important, they do not outweight the excellent quality of the overall defense authorization approved by the committee. The legislation meets the defense spending target contained in the budget passed by the Senate on May 6. It makes significant improvements in our conventional military posture, especially force readiness and modernization. And it acts as a springboard for future action on key defense issues, including the strengthening of our defense industrial base, the repair of our dangerously deteriorating nuclear weapons plants, and the improvement of our military medical capabilities.

In sum, the committee's work has produced sound legislation for a strong defense, which I am pleased to support.

Timothy E. Wirth.

ADDITIONAL VIEWS OF MR. COHEN

ICBM MODERNIZATION

On December 19, 1986, the President made significant decisions regarding ICBM modernization. He ordered the initiation of full-scale engineering development (FSED) of the single-warhead, 37,000 pound Small ICBM and the Hard Mobile Launcher, with initial deployments in 1992 at Malmstrom, AFB. The Air Force awarded FSED contracts in December. The President also decided to proceed with further development of the rail-garrison basing concept for the MX missile.

As the committee report notes, the rail-garrison proposal represents little more than a concept at present, and the Administration is unable to answer many fundamental questions regarding it. To the extent that the proposed system is defined, it possesses operational characteristics that were also possessed by earlier proposed basing modes that were rejected precisely because of those operational characteristics. Acceptance of the rail-garrison concept would represent a significant shift in U.S. strategic policy and, in fact, a reversal of earlier U.S. decisions on what constitutes an acceptable ICBM basing mode. Of particular concern are the following issues:

The rail-garrison concept, since it would be vulnerable to the Soviet SLBM threat as our strategic airbreathing force is, fails the critical test applied by the Scowcroft Commission in narrowing the "window of vulnerability." Ironically, in this respect, rail-garrison is a less attractive basing mode than silos.

Survivability under the rail-garrison concept would require the receipt of and action on strategic warning indicators. Acceptance of this requirement would represent a major reversal of U.S. strategic policy. Thorough review and debate of such a policy change has not yet occurred.

Because of the questionable wisdom of making ICBM survivability dependent on strategic warning a decision to proceed with rail-garrison basing could lead to a later shift to rail-mobile basing (i.e. missiles continuously deployed on public railways), which would not require strategic warning. Department of Defense briefings indicate that such a transition to rail-mobile basing is a serious prospect, due to the possible unacceptability of rail-garrison's reliance on strategic warning. However, these briefings also indicate that such a transition would involve large cost increases and public interface problems, calling into question the feasibility of a transition to rail mobile. In this regard, it should be noted that rail-mobile basing has been rejected in the past by the Executive Branch as infeasible.

While further research and development work on rail garrison can be justified, it would be premature for the Congress or the administration to commit to full-scale development during FY–88.

The Small ICBM Program continues to be a model program, as the committee has characterized it in the past. This is confirmed by the Department's recent statement that contract competition produced savings over the last year approaching a billion dollars. However, even with these significant savings, the strategic RDT&E package approved by the committee, providing $700 M for the Small ICBM, would not enable the Program to continue full-scale engineering development at the intended pace. It should be noted, though, that the committee acted with the knowledge that the House Armed Services Committee had provided the Small ICBM Program with funding several hundred million dollars in excess of the requested amount, when the competition savings are taken into account.

The President's decision to proceed with the Small ICBM as a 37,000 pound missile rather than a heavier, MIRVed missile was based on cost, survivability, schedule, and risk. During 1985 and 1986, assertions were made by some in the Department of Defense and the Congress that some $20 billion could be saved by making the Small ICBM a 75,000 pound, three-warhead missile or a 52,000 pound, two-warhead missile without reducing the survivability of the system. The Air Force conducted detailed studies of these options, including mobility tests of actual hardware. The three-warhead option was soon dropped on the basis of weight and loss of mobility and survivability. The two-warhead option was later dropped because it was determined that any cost savings would be only a fraction of what had been claimed and the system flexibility and survivability would suffer as a result of the heavier missile's reduced mobility. In reviewing current assertions about rail-garrison MX and the Small ICBM, it is useful to keep in mind this history of past assertions.

Among the current assertions is that the MX rail-garrison concept removes the requirement for the Small ICBM. Given the serious concerns regarding rail-garrison basing of MX cited above, and the fact that these concerns would be significantly mitigated with the deployment of the Small ICBM, I believe that this assertion is erroneous. Moreover, in my view, the viability of all ICBM modernization would be seriously jeopardized were this assertion to be accepted. The prudent course, in my view, is to proceed with the program that the Air Force proposed and the President accepted—vigorous full-scale development of the Small ICBM in Hard Mobile Launchers and further development of the rail-garrison basing concept. The defense authorization act for FY–88 and FY–89 ultimately enacted into law should provide adequate funding to pursue this course.

William S. Cohen.

MINORITY VIEWS OF MESSRS. WARNER, THURMOND, HUMPHREY, QUAYLE, WILSON, GRAMM, SYMMS AND McCAIN ON THE LEVIN-NUNN AMENDMENT

Eight of nine Republicans members of the Senate Armed Services Committee voted against favorably reporting the FY 1988/1989 Defense Authorization Bill. We have taken this unprecedented action with profound regret because of the importance we attach to this bill for the national security of the United States and for the men and women who dedicate their lives to the nation's defense, and because we view the budgetary recommendations contained in the bill to represent a proper balance (albeit at lower overall budget levels than we would prefer) between our national security objectives and the need to balance the federal budget. This bill is a remarkable achievement and the Chairman and Members of the Committee are to be commended.

Our opposition is based entirely on a single provision in the bill—known as the Levin-Nunn amendment—that restricts funding for development and testing related to the Strategic Defense Initiative. In our judgment, this provision represents a unilateral constraint on the United States and grants a substantial concession to the Soviets at a crucial juncture in the arms control negotiations in Geneva. Furthermore, by providing a one-house veto over Presidential interpretation of a treaty, the Levin-Nunn amendment would permit an unacceptable intrusion by either House of Congress into the President's exclusive jurisdiction to conduct our nation's foreign affairs. The Constitution and Supreme Court decisions have defined the balance of authority between the Executive and Legislative Branches; this amendment is a clear transgression by Congress.

Furthermore, the Levin-Nunn amendment potentially would limit the President's ability to respond to Soviet violations of the ABM treaty in a manner firmly established by international law. In the face of Soviet violations, the President may abrogate the treaty or make a proportionate response. But if either course of action involved other than fixed, land based systems, the Levin-Nunn amendment would require the President to obtain the approval of not one, but both Houses of Congress. In other words, either the House or Senate could unilaterally block the President's actions.

The President has requested a study to assess the implications of restructuring the Strategic Defense Initiative program as permitted by the so-called broad interpretation of the ABM treaty. That study will ultimately be sent to the Congress. While we will not prejudge the results of this study, nor anticipate the President's decision, it is clear that under the restrictive interpretation of the ABM Treaty (to which we are bound by Levin-Nunn), we are denied the ability to test realistically and efficiently the more mature strategic defense technologies. Under the restrictive interpretation, we may only conduct limited SDI experiments incapable of fully demonstrating a specific technology or ABM system capability. Without adequate development and testing, it is more difficult, more time-consuming, and more expensive to ascertain the technical feasibility of critical strategic defense systems. These are penalties difficult to justify in a time of severe budgetary constraints.

The Strategic Defense Initiative program has brought the Soviets back to the negotiating table. All agree to this. We believe the Levin-Nunn amendment, because it imposes a unilateral restriction on the United States, undermines a considerable amount of the leverage needed by our negotiators to achieve agreements that are in our national security interest. We are joined in this view by the President of the United States, who views this amendment with such seriousness that he has stated his intention to veto any bill containing this provision. We are prepared to join the President and to vote to sustain such a veto.

In summary, this amendment raises legal issues about the proper interpretation of the ABM Treaty, the relationship of Senate ratification to the obligations actually incurred by both parties to the Treaty, and the wisdom, if not the constitutionality, of granting the House of Representatives the ability to bind unilaterally the United States to certain obligations with respect to the Soviet Union. However, each of these issues must pale in comparison to the central question, namely: What is in the best interests of our national security? When viewed in this light, we conclude it is not in the best interests of our national security to require by statute that the President follow the more restrictive of two plausible interpretations of the ABM Treaty, when the Soviet Union is seeking an even more restrictive interpretation at the negotiating table. We conclude it is not in the best interests of our national security to seek to bind the United States to an interpretation under the ABM Treaty to which the Soviet Union is not bound. We conclude it is not in the best interests of our national security to grant statutorily to the House of Representatives the unilateral ability to compel the United States to follow for the next two years a particular foreign policy regarding our relations with the Soviet Union. such matters are constitutionally reserved to the President, and shared only with the Senate by virtue of treaty ratification procedures. In short, at a time when the United States and the Soviet Union are engaged in negotiations involving the very matter addressed by the amendment, the Levin-Nunn amendment jeopardizes the prospects for reaching the best possible outcome for our long term national security.

MINORITY VIEWS OF MR. WILSON

The FY88 DOD Authorization Bill represents a reduced commitment to the defense of the United States. The appearance of steadiness offered by sustained conventional force modernization has been achieved at the expense of undermining our strategic deterrent force modernization. A full 45% of the reductions our committee made to this Bill came from the strategic accounts, a scant 16% of the entire defense submission.

Reductions of this kind to the very forces our Democrat colleagues insist are the backbone of deterrence, the equalizer to a hopeless conventional imbalance in NATO and around the world is glaringly inconsistent, at best.

Ironically, those who passionately seek reductions in the level of nuclear forces, make the prospects for such reductions all the more remote by placing restrictive and unilateral restraints on our strategic force modernization. Why should Soviet negotiators make concessions to the United States when the Congress enacts Soviet demands without condition?

The committee has approved $4.5B for continued R&D for the vital Strategic Defense Initiative. This amount is the absolute minimum needed to sustain progress on the SDI and to preserve the option for a first phase of deployment of a defense against ballistic missiles in the mid-nineties. Further reductions in SDI funding can only increase total costs, increase the risks of the program and delay crucial test and development results. Unilateral restrictions on the testing of SDI is addressed in a joint statement elsewhere.

The committee has recognized the inevitable logic of the need for a credible, affordable and practical ICBM modernization program by supporting further R&D on the rail mobile MX and reducing the SICBM to a minimum level-of-effort funding. The committee was evenly divided on termination of the SICBM program due to its lack of priority and exorbitant cost. Clearly, schedule slippage and cost increases induced by level-of-effort funding will only exacerbate the problems of this program. I fully anticipate termination of the SICBM program next year.

The committee was also evenly divided on the adoption of the so-called Nitze criteria of cost effectiveness and survivability for all future strategic force elements, not simply for future strategic defenses. As Harold Brown testified before the committee this year, "there is no reason these criteria should not be applied equally to all strategic forces." Oddly enough, the strongest argument against adoption of this amendment was that it could be viewed as hostile to future offensive modernization. The intention of this provision is certainly not hostile to offensive modernization, and I can only assume support of these criteria for the deployment of a defense against ballistic missiles is not hostile either. I believe the full

Senate will recognize the need for balance in judging the merits of all strategic forces by adopting this sensible proposition.

Regretably, the committee narrowly rejected the addition of P-3 ASW aircraft to the Bill. Procurement of additional aircraft in FY88 is a prudent hedge against a "hidden" new start the Navy included in its submission. The Office of the Secretary of Defense has expressed concerns over the Navy approach to this new start and reservations about the wisdom of shutting down the P-3 line before a new acquisition plan has been approved. The committee acted wisely in keeping the Apache line open pending further assessment of the LHX program. It would have acted wisely to follow the same approach with vital anti-submarine warfare aircraft. Since internal DOD controversy emerged late in our deliberations, I would encourage the Appropriations committee to take a hard look at this new start before acting and would consider adding P-3 aircraft as an open issue.

PETE WILSON.

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